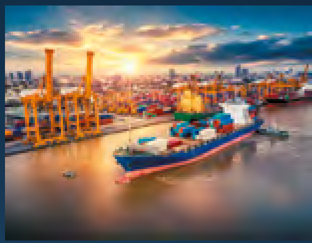
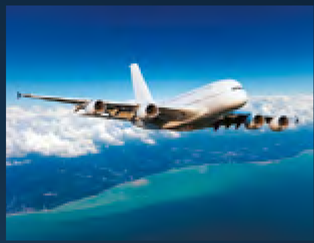
CLASQUIN

OVERSEAS FORWARDING & LOGISTICS EXPERTS





ANNUAL REPORT 2018

CLASQUIN,

THE CLIENTS, PROFIT & Fun COMPANY

AIR & SEA FREIGHT FORWARDING
AND OVERSEAS LOGISTICS
5 CONTINENTS - 22 COUNTRIES - 62 OFFICES

CONTENTS

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 and responsiveness).

We therefore offer a comprehensive platform of high value-added services in order to manage 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 sub-contractor partners.

We have pursued our globalisation strategy since 1983, driven by passion for our business, commitment to client service, our teams' skills and enthusiasm, our performance culture and our winning mindset. The trust built with our clients has enabled us to expand our operations worldwide, including in Europe, Asia, America and, more recently, North Africa and sub-Saharan Africa.

And it is for you, valued clients, that we will continue with enthusiasm to expand our global network and value-added services offer.

Clients, Profit and Funly Yours,

Yves REVOL
Executive Chairman

YVES REVOL EXECUTIVE CHAIRMAN
HUGUES MORIN CHIEF EXECUTIVE OFFICER

2018 **was a year of achievements** in which we continued to post strong growth across all business lines

| How do you view 2018 business volumes and results ?
Y.R. : After strong growth in H1 2018 along the lines of the previous year, world trade slowed during the second half. Year-on-year growth in volumes was around 3 %.
Against this backdrop, thanks to the quality of its offering, the Group continued to significantly outperform the market in terms of volumes shipped (sea freight up 11.8 %, air freight up 9.5 %), number of shipments (up 7.1%) and gross profit (up 11.2 % at constant consolidation). This strong performance was driven by our main key accounts, new clients and new business lines such as "Fairs & Events", "Road Brokerage" and Favat (see below).

As a result, the Group posted consolidated sales of € 308.3 million (up 6.1 %), gross profit of € 68.9 million (up 9.5 %) and current operating income of € 6.5 million (up 10.7 %).

| What were the highlights of 2018 ?
Y.R. : 2018 was a year packed with achievements. The main highlight of the year was, without a doubt, the successful deployment of "CargoWise One", our new Transport Management System (TMS). We owe this success primarily to the calibre of our IT people, but also our operations staff, who persevered with their work despite the disruptions inevitably caused by the changes. This huge-scale program was launched in 2014 with the creation of the project team and is only now nearing completion. The new system will allow us to standardise and streamline the management of Group operations, improve productivity, facilitate the creation and acquisition of subsidiaries and optimise connections with our clients and throughout our whole ecosystem.

The year was marked by a number of other achievements:
> Creation of a new subsidiary in France, CLASQUIN FAIRS & EVENTS, with a partner specialising in the sector, Abdi El Houari. This subsidiary specialises in international transport and logistics in relation to trade fairs and similar events and turned in a profit as of this year (gross profit: € 1.1 million);
> Acquisition of the entire share capital of SOCIETE FAVAT TRANSIT (SFT), based in Marseille, whose core business is customs and sea transport of oilseeds (sales: € 2 million; gross profit: € 700,000). This company was absorbed by CLASQUIN SA on 31/12/2018;
> Sale of ECS US (acquired in 2015) to its long-standing director (2017 sales: € 14.6 million; 2017 gross profit: € 2.9 million);
> Opening of two new offices in the United States: Atlanta and Miami;

> Opening of two sales offices in sub-Saharan Africa: Dakar and Bamako;
> Also note that CLASQUIN Germany returned to break-even in Q4, while operations at CLASQUIN Australia were suspended;
> Opening of two new offices (Lille and Nantes) serving our subsidiary LCI-CLASQUIN, which specialises in trade with North Africa;
> Acquisition of COSMOS CONSULTANTS, a publisher of customs and international trade management software for importers and exporters, by our subsidiary LOG System, which publishes Freight Forwarding and International Transport software solutions;
> Creation of LOG System Tunisia, a subsidiary of LOG System France specialising in Microsoft solutions, development and outsourcing;
> Furthermore, we are currently preparing the next generation of finance software (accounting, reporting, planning and consolidation) with installation scheduled for H2 2019.

What are your expectations for 2019 ?

H.M. : The environment in which we are operating in 2019 is less favourable; global growth has slowed since the second half of 2018 and trade tension between the United States and China is creating a climate less conducive to developing international trade. The market could grow by 2 to 3 % in 2019. Under these conditions, CLASQUIN expects to significantly outperform the market once again, driven by a strengthened sales force in three key markets, i.e. Southern Europe (France, Spain, Italy and Portugal), China and the United States, and the expected boom in business with North Africa (Tunisia and Morocco).

After three years of structuring work, including the global deployment of the CargoWise TMS, we are now aiming to improve our operating profitability over the next two years. Three drivers will be implemented, the BOOST PROFITABILITY plan aimed at improving procurement and operating expenses, reductions in related IT costs and the full-year impact of the restructuring of loss-making subsidiaries. This will take place in Germany, Australia and Portugal.

What are your medium and long-term development priorities ?

H.M. : We plan to strengthen our offering and expertise on niche markets and certain large vertical markets. In 2019, we will roll out initiatives in the area of international food product management, focusing on the “perishables” sector, by opening an office in Rungis; this will help improve our service for international clients, particularly in Asia. In the medium term, we plan to design specific solutions for challenging sectors in terms of logistics and regulations, such as the aeronautical and life science industries.

In geographical terms, we will be focusing on French-speaking West Africa, where we will offer our expertise in France and Europe, but also China and Asia in general, to shippers trading with this region. We also plan to expand our operations in Europe over the long term (Benelux, Switzerland, etc.).

Lastly, we shall continue to expand our offering in order to improve our service to our clients in three areas:

> our digital offering, in order to provide our clients with more visibility and decision-making support,
> overseas logistics, including storage, picking/packing and distribution solutions for our SME clients by serving them in regions where they have no operations or lack the required expertise,
> supply chain and customs consulting under the “CLASQUIN Consulting” brand; our segment is operational consulting in international supply chain.

“ I would like to thank all of our clients for their loyalty and trust, our fantastic teams for their commitment and professionalism and our shareholders for their active support in our development. ”

YVES REVOL, EXECUTIVE CHAIRMAN

CLASQUIN

OVERSEAS FORWARDING & LOGISTICS EXPERTS

COMPANY PROFILE

CLASQUIN India.

CLASQUIN Greater China.

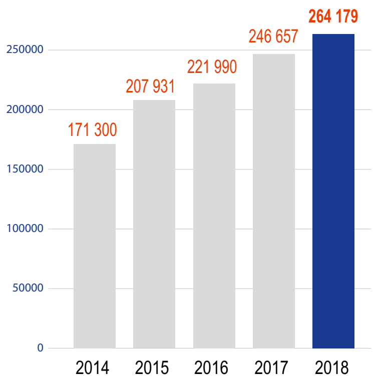
ASIA

A characteristic 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.

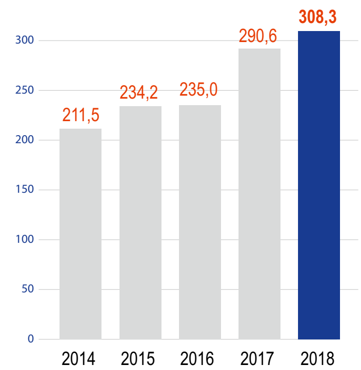
CLASQUIN Japan.

2018 **FINANCIAL** OVERVIEW

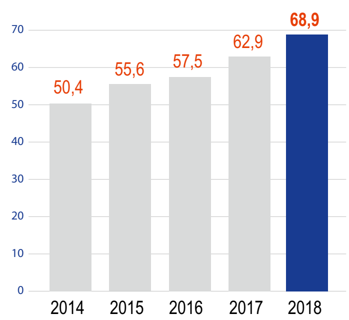
> NUMBER OF SHIPMENTS



> SALES (€m)



> GROSS PROFIT (€m)



SEA FREIGHT BUSINESS

> NUMBER OF TEUS*		> NUMBER OF SHIPMENTS		> GROSS PROFIT (€M)	
2018**	199 473	2018	119 246	2018	30,5
2017**	178 488	2017	111 946	2017	30,2
2016	144 147	2016	100 765	2016	27,7
2015	122 884	2015	98 908	2015	27,8

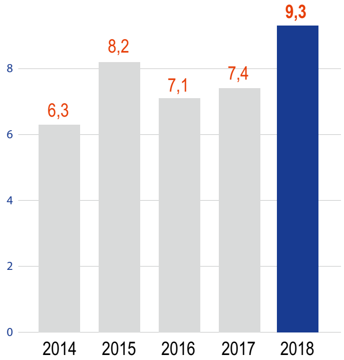
** Twenty-foot Equivalent Units . ** Including consolidation containers.*

ROLL ON ROLL OFF

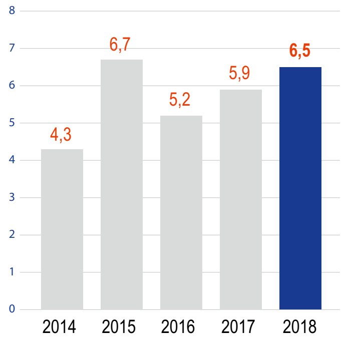
> NUMBER OF SHIPMENTS		> GROSS PROFIT (€M)	
2018	40 596	2018	7,2
2017	38 299	2017	6,6
2016	33 913	2016	6,7
2015 (9 mois)	23 270	2015	4,7

CLASQUIN, THE CLIENTS, PROFIT & Fun COMPANY

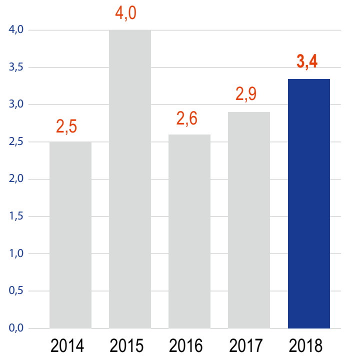
> EBITDA (€m)



> CURRENT OPERATING INCOME (€m)



> CONSOLIDATED NET PROFIT (€m)



> TONNAGE

2018	69 466
2017	63 446
2016	53 402
2015	50 586

* Excluding Intercargo

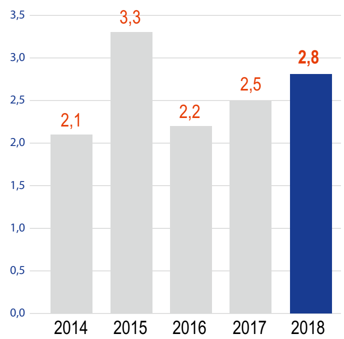
> NUMBER OF SHIPMENTS

2018	81 437
2017	80 153
2016	72 820
2015	70 554

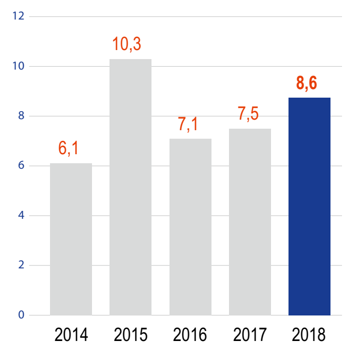
> GROSS PROFIT (€M)

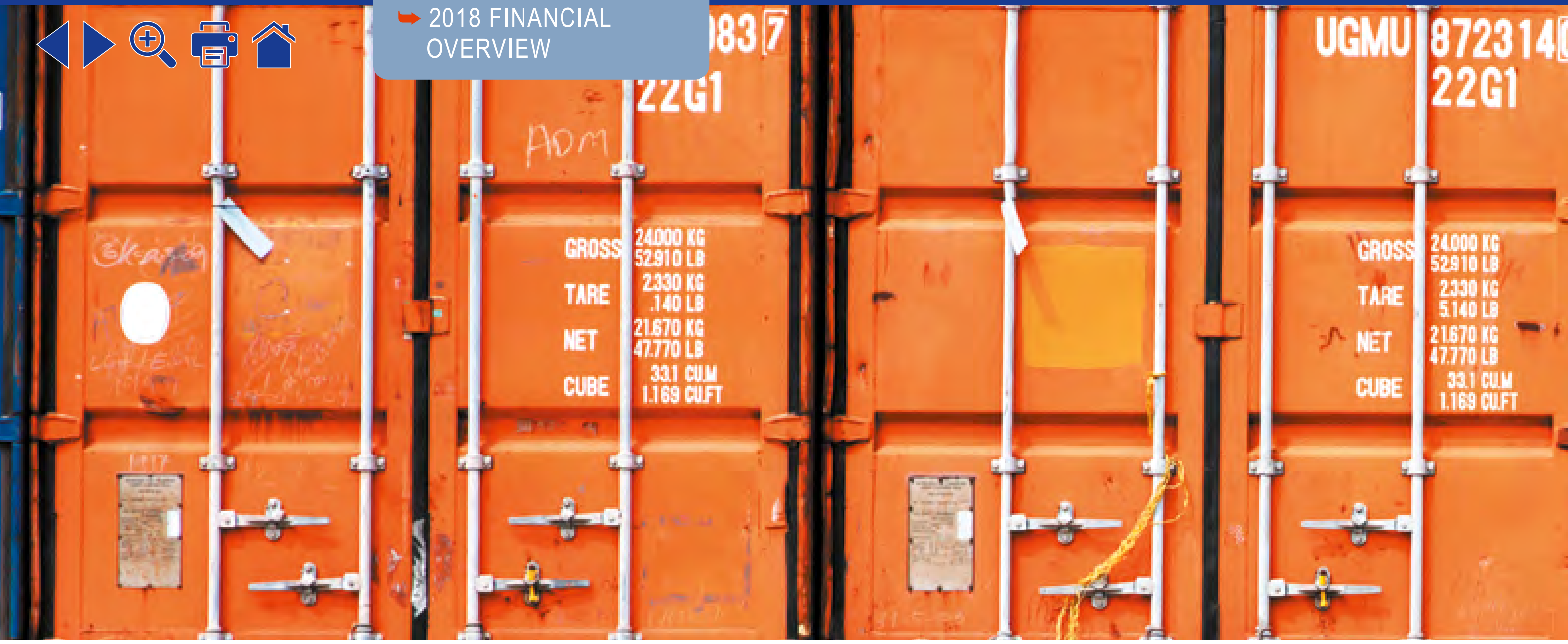
2018	23,5
2017	20,7
2016	18,4
2015	19,1

> NET PROFIT GROUP SHARE (€m)

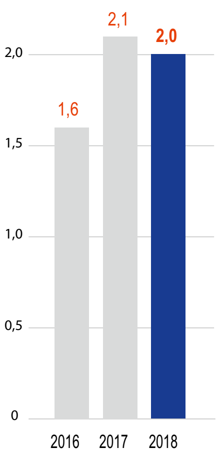


> GROSS OPERATING CASH FLOW

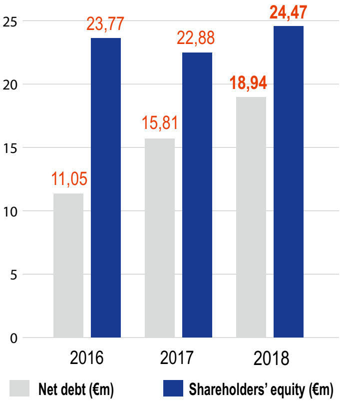




> LEVERAGE (DEBT/EBITDA)

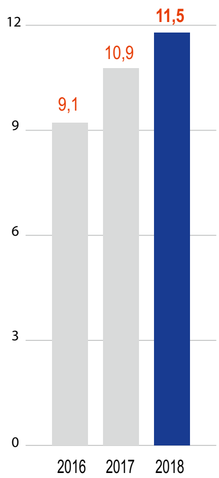


> GEARING

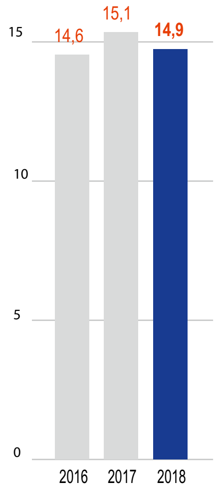


	31.12.2016	31.12.2017	31.12.2018
GEARING	46,5%	69,1%	**77,4%**

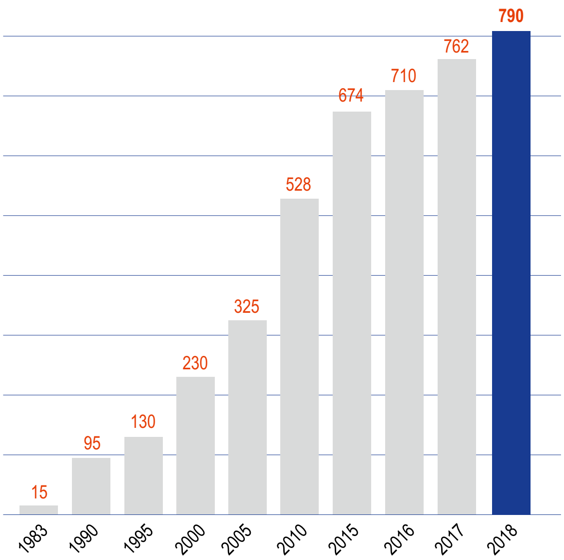
> ROE (%)



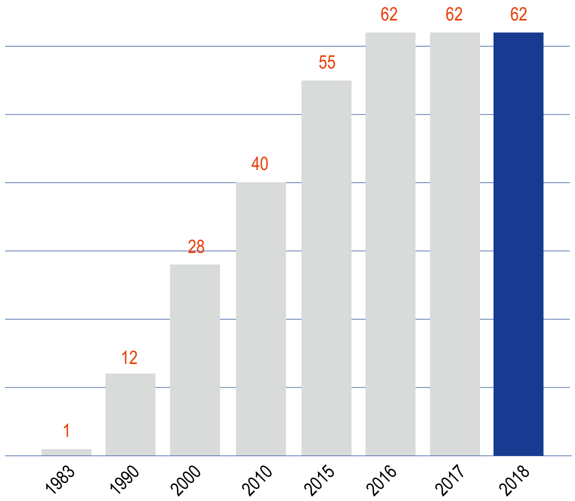
> ROCE (%)



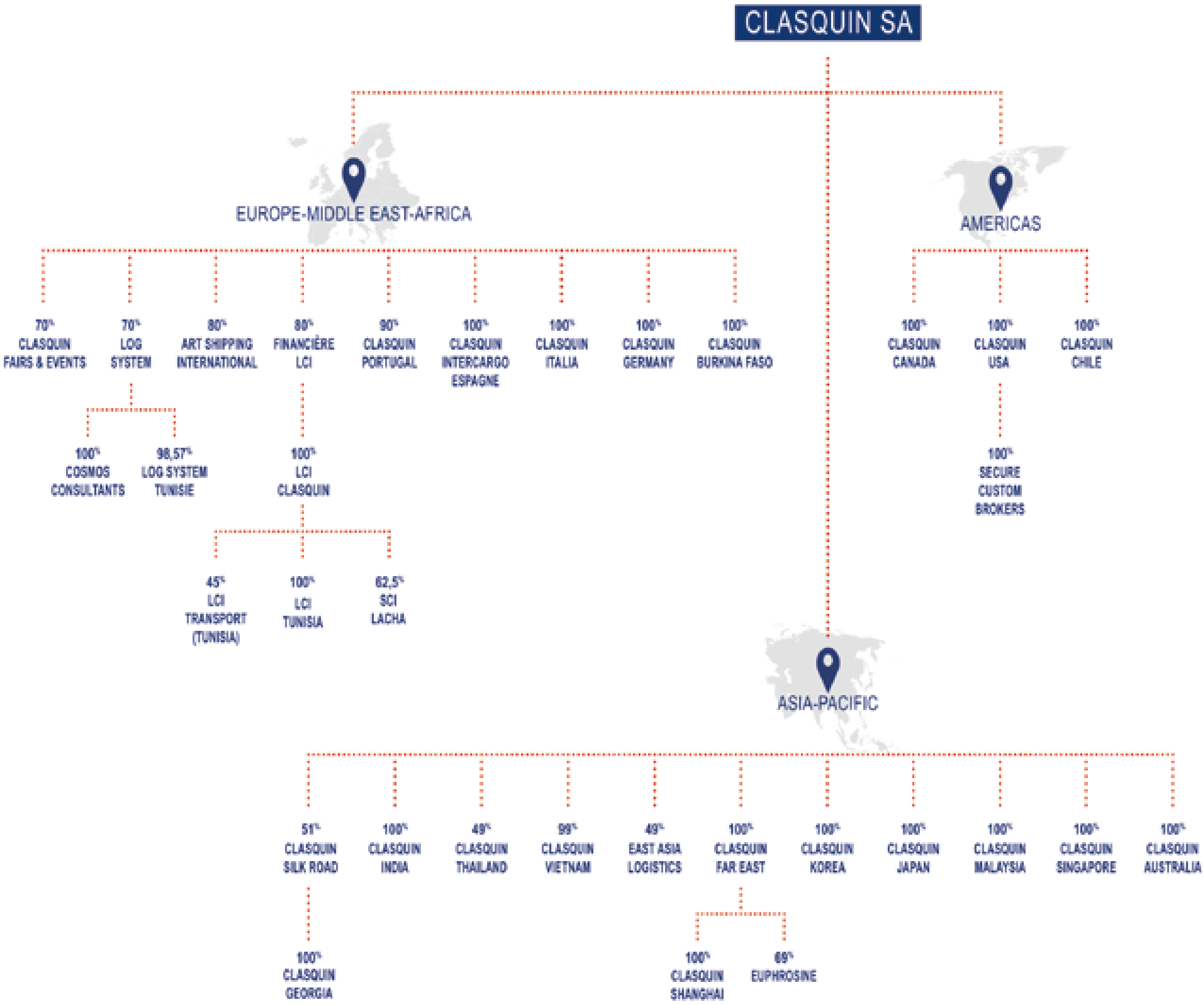
> CHANGES IN HEADCOUNT FROM 1983 TO 2018



> CHANGE IN NUMBER OF OFFICES FROM 1983 TO 2018



CLASQUIN SA ORGANISATION CHART



Organisation chart as per 31 December 2018

www.clasquin.com

COMPANY PROFILE

SHAREHOLDER INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

NOTES

A **WINNING** MINDSET

1982

> **Yves REVOL**, then Sales Manager of CLASQUIN, oversaw the takeover of the Company. The future Group had just one office in Lyon at the time.

1983-1989

> A forerunner in its business sector, CLASQUIN chose to specialise in **air freight forwarding**. The Group adopted a clear positioning: **export by air from France to the Asia-Pacific region.**

> An office was opened in Paris in 1983 (Roissy CDG) and 9 sales offices were set up in Asia-Pacific's main cities: Hong Kong, Tokyo, Osaka, Singapore, Bangkok, Seoul, Taiwan, Melbourne and Sydney. As a result, in 6 years the Group became **the leading air freight operator** between France and Asia-Pacific.

> 1986 saw the foundation of Log System, an IT subsidiary specialising in software design and development for the transport and overseas logistics industry.

1990-1993

> Business operations expand to the **sea freight sector.**
1993: two sales offices opened in China (Beijing and Shanghai) and an operation was launched in New York (external growth).

1994-1999

> CLASQUIN gradually transformed all of its sales offices into operating subsidiaries.
The Group also created new subsidiaries during this period: CLASQUIN Italy, CLASQUIN Spain, CLASQUIN Vietnam and CLASQUIN Malaysia.

2000-2004

> The Group reinforced its IT system and developed a full-fledged ERP system together with its subsidiary **LOG System** (operations management, single accounting application, automatic monthly reporting, clearing office, etc.).

> In 2004, Banque de Vizille, later renamed **CM-CIC Investissement**, acquired a stake in CLASQUIN.

2006

> **CLASQUIN carried out an IPO** and was listed on the Euronext Growth compartment of NYSE/ Euronext. The Group thereby acquired the resources to match its targets in stepping up development via organic growth and acquisitions.

2008-2011

2008: Acquisition of **GUEPPE**.
2010: Launch of new subsidiaries in Germany and Canada.
2011: Launch of CLASQUIN India.

2012-2015

2012: acquisition of **INTERCARGO** in Spain.
2014: acquisition of **GAF** in Germany and **ECS** in the United States.
2015: acquisition of **LCI**, a company specialising in North Africa and Turkey.
> **Sale of GUEPPE CLASQUIN** towards the end of 2015.

2016

> Creation of a new **Executive Committee** with the hiring of **Laurence ILHE** (General Secretary) and **Quentin LACOSTE** (Chief Operating Officer).
> **Acquisition** of Paris-based ART SHIPPING.
> **Launch** of new subsidiaries in Portugal and Chile.

2017

> Double-digit growth in business volumes and earnings.
> Launch of global deployment of the **CargoWise One** TMS in Italy, followed by Hong Kong and China.

2018

> **Deployment of CargoWise** in France, Germany, USA, Singapore, India, Malaysia, Japan and South Korea.
> Launch of **CLASQUIN Fairs & Events**, a subsidiary specialising in international transport and logistics in relation to trade fairs and similar events, based in Paris.
> Acquisition of **COSMOS CONSULTANTS**, a publisher of customs and international trade documentation software, by LOG System.
> Launch of **LOG System TUNISIA**, a software development company acting as a Microsoft skills centre and specialising in nearshore development, AI and business processes.
> Sale of **ECS/US** to its long-standing director.
> Launch of **CLASQUIN Atlanta** and **CLASQUIN Miami**.
> Opening of two sales offices in West Africa (**Dakar** and **Bamako**).
> Acquisition of **Société Favat**, a Marseille-based company specialising in the transport of foodstuffs.

CLASQUIN
OVERSEAS FORWARDING & LOGISTICS EXPERTS

GOVERNANCE

At CLASQUIN, the duties of Chairman and Chief Executive Officer have been separated with effect from 1 January 2019:

> **Yves REVOL** retains his position as Chairman of CLASQUIN's Board of Directors and becomes Executive Chairman;

> **Hugues MORIN** is appointed Chief Executive Officer.

Governance at CLASQUIN is based on four main bodies:

> The Board of Directors (Board), responsible for Group strategy, overall policy and organisation.

> The Executive Committee (EXECOM) manages strategy and overall policy.

> The Monthly General Management Meeting (MGMM) brings together the Executive Committee, operating managers and regional directors. The MGMM sees to the operational implementation of business activities and projects.

> The World Management Committee Meeting (WMCM), an annual meeting attended by the Executive Committee, country managers and operating managers to work on strategy, overall policy and organisation in order to share best practices and successful achievements, improve economic performance and strengthen the sense of belonging.

A. BOARD OF DIRECTORS

At 31 December 2018, the Board members were:

> **Yves REVOL,**
Chairman and Chief Executive Officer, then Chairman of the Board of Directors from 1 January 2019

> **Hugues MORIN,**
Deputy Managing Director, then Chief Executive Officer from 1 January 2019

> **OLYMP SAS,**
represented by Jean-Christophe REVOL

> **Philippe LONS,**
Deputy Managing Director

> **Claire MIALARET**

> **Christian AHRENS**

Laurence ILHE and **Quentin LACOSTE** are Deputy Managing Directors.

IN FIGURES

4

Number of Board meetings held in 2018.

92%

Average Board member attendance (present or represented) in 2018.

Christian AHRENS, **Claire MIALARET** and **Jean-Christophe REVOL**.

B. EXECUTIVE COMMITTEE

At 31 December 2018, this Group management body comprised the following members:

- **> Yves REVOL**, Executive Chairman
- **> Hugues MORIN**, Chief Executive Officer
- **> Laurence ILHE**, Group General Secretary
- **> Quentin LACOSTE**, Group Chief Operating Officer

Yves REVOL
Executive Chairman

With an M.A. in economics and international experience at the CFAO, Yves REVOL joined CLASQUIN in 1976 and successively held positions as Sales Engineer, Sales Director and Managing Director. He took over CLASQUIN in 1982 and became Chairman and CEO in 1983. He has been Group Executive Chairman since 1 January 2019.

Hugues MORIN
Chief Executive Officer

A graduate of the European Business School, Hugues MORIN joined CLASQUIN in 1992 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 later promoted to Managing Director France, Italy and Germany. Since 2016, he has been responsible for all worldwide front office functions (operations and sales) as Group Executive Vice President. In January 2018, his remit was extended to back office functions (finance, HR, IT, etc.) under the direction of General Secretary Laurence ILHE. He was appointed Group CEO as of 1 January 2019.

Laurence ILHE
Group General Secretary

A graduate of ESSEC, Laurence ILHE began her career as an auditor with E&Y, before joining the finance departments of 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 at the end of January 2016 as Group General Secretary, responsible for managing and coordinating support services (legal affairs, finance, information systems, human resources and non-business procurement).

Quentin LACOSTE
Group Chief Operating Officer

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.

C. EXTENDED EXECUTIVE COMMITTEE

Olivia BOYRON

Group Vice President Legal Affairs

Holding a specialised postgraduate diploma in Banking and Financial Law and an LLM in European Business Law, Olivia 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 private equity law. She joined CLASQUIN in January 2014 as Group VP Legal Affairs.

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 CIO.

Philippe LONS

Group 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 CFO in 1995.

D. MONTHLY GENERAL MANAGEMENT MEETING

Frank ACHOUCH
Managing Director Greater China & Korea

A Masters graduate in International Management, Frank ACHOUCH held various commercial and managerial positions at CMA-CGM then SAGA, EAGLE GLOBAL LOGISTICS and B&A. After more than 20 years in International Management, he joined CLASQUIN in 2010 as Managing Director Greater China. In 2018, South Korea was added to his remit.

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 Wines & Spirits.

Fulvio MOLETTI
Managing Director South East Asia

With a PhD in political science from the 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 China at AGILITY (Hong Kong).

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 Roissy 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.

Matt INGRAM
Chief Executive Officer 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 ten years, holding various sales positions before joining CLASQUIN in October 2017 as CEO CLASQUIN USA.

CLASQUIN
OVERSEAS FORWARDING & LOGISTICS EXPERTS

SECTOR, POSITIONING, NETWORK & STRATEGY

A. CLASQUIN, UNIQUE IN ITS FIELD

1 THE OVERSEAS FREIGHT FORWARDING MARKET (AIR, SEA, RAIL AND RORO* FREIGHT FORWARDING)

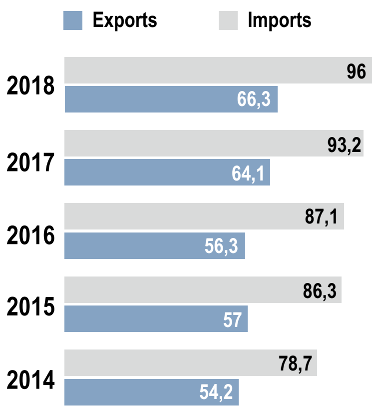
The market in which CLASQUIN operates is sensitive to developments in intercontinental trade.

As a reminder, over the twenty years preceding the 2008 crisis, the air and sea freight sector grew at a spectacular rate. After a 12 % decline in 2009 and a solid recovery in 2010/2011, the sector experienced modest growth for seven years (between 1 and 3 % annually) with a marked upturn in 2017 (4 % growth in sea freight volumes, 8 % growth in air freight).

2018 year-on-year growth in volumes was around 3 % in sea freight and 4 % in air freight despite a marked slowdown in H2.

** Roll On/Roll Off (RORO) trailer transport by specially designed ships.*

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



**Source: French customs – China, Japan, Taiwan, Hong Kong, South Korea, Vietnam, India, Malaysia, Singapore, Thailand - Excluding military equipment.*

2019 OUTLOOK

Against a background of economic slowdown in China and trade tensions (USA/China in particular) that are impacting companies' confidence and investment decisions, we are expecting modest growth (from 2 to 3 %) in international trade.

2 CLASQUIN: ARCHITECT AND ORGANISER

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:

« 3PLs »

(Third Party Logistics Providers)
These logistics operators add storage, packaging and order preparation operations to transport management. In practice, the 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, etc.
> **for air freight:** Air France Cargo, Lufthansa, Singapore Airlines, Korean Air, etc.
> **for sea freight:** Maersk, MSC, CMA-CGM, Evergreen, etc.
> **for rail:** SNCF.

CLASQUIN belongs to that class of companies that are free of the constraints of owning its 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.

B. CLASQUIN, THE ONLY MULTINATIONAL SME IN ITS SECTOR

Shipping and logistics is a market that is both fragmented and concentrated. Dominated by international giants such as DHL, DB Schenker Logistics, Kuehne+Nagel and DSV, it is also a complex market encompassing a wide range of different operators and sectors. The logistics chain involves a large number of specialists, means of transport, types of goods, transit time requirements, etc.

HIGH VALUE-ADDED BUSINESS MODEL

CLASQUIN is free of the constraints of managing transport assets and develops its value-added in terms of services and expertise.

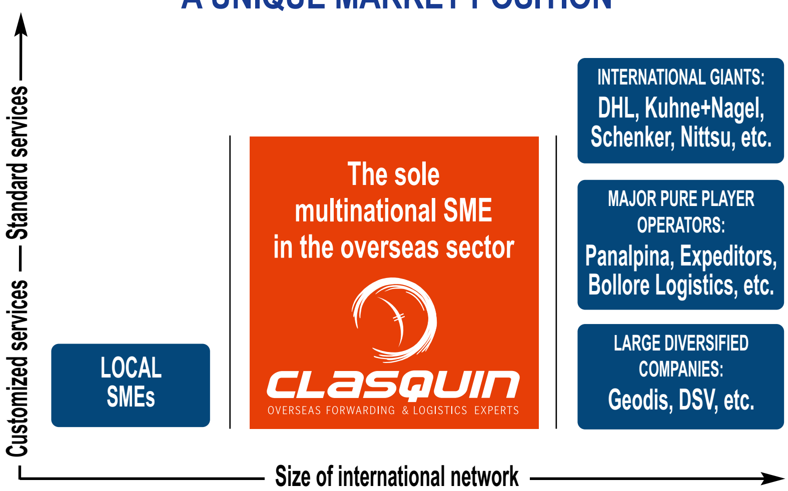
The Group uses its varied expertise and know-how to implement efficient solutions that harmonise, streamline and secure the shipments of its clients, for whom global trade has become increasingly strategic and complex.

CLASQUIN now manages import and export flows mainly between Western Europe and overseas markets, in particular Asia-Pacific and North America. As a forerunner of trade with Asia, CLASQUIN's network of 23 offices ensures it has strong presence on the Asia-Pacific routes.

As an International Freight Management pure player, CLASQUIN is now the only player on the market capable of combining the range of services offered by a multinational company with the advantages of an SME, including quick response times, reliability, dedicated client contacts and the ability to create and innovate.

This unique market position is bolstered by its fundamental strengths: expert dedicated teams, an international network and integrated IT tools, which constitute barriers to entry for new entrants on the market.

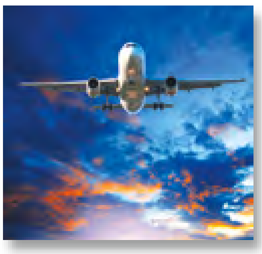
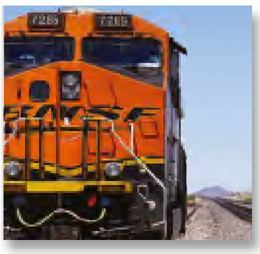
A UNIQUE MARKET POSITION



C. ARCHITECT AND ENGINEER OF THE ENTIRE OVERSEAS LOGISTICS CHAIN

From goods pick-up through to distribution: customised individual service.

CLASQUIN, THE ARCHITECT OF THE ENTIRE TRANSPORT CHAIN


** Drafting of transport contracts, L/C, customs documents, etc.*

In addition to freight forwarding, CLASQUIN offers comprehensive customised logistics solutions tailored to each client's specific needs and demands and the various types of goods and regions involved.

These solutions are guaranteed by an optimised process:

- > A single contact person for each client;
- > Solution design and end-to-end management of overseas transport flows;
- > Selection of first-rate sub-contractors;
- > Optimisation of costs and transit times;
- > Real-time traceability.

D. KEY SUCCESS FACTORS

1 WORKFORCE

As in all service companies, the expertise and commitment of the company's people are paramount to its success. "Hire the best and keep the best" is therefore the guiding principle behind CLASQUIN's HR policy. This falls under our development strategy, which is focused on growth and profitability, as well as our company culture symbolised by our motto "the Clients, profit and fun company".

2 DIGITAL TOOLS TO SERVE OUR CLIENTS AND IMPROVE PRODUCTIVITY

Committed to continuously improving the reliability of its services in order to meet clients' demands, CLASQUIN has chosen to use the most powerful global IT solutions available on the market (CargoWise). They enable our experts to leverage the latest technological innovations in freight forwarding and thus offer significant productivity gains. Fully integrated into our digitisation strategy and the continuous improvement plan that covers our whole network, these tools combine precision of processes with reliability of information. Accordingly, our clients benefit from customised services such as EDI (electronic data exchange), a Control Tower, real-time shipment traceability and performance monitoring managed via a single secure and continuously available platform.

CLASQUIN OFFICES

CLASQUIN IS A FOUNDING MEMBER OF WFA
OFFICES LOCATED IN 171 COUNTRIES

3 AN INTEGRATED NETWORK OF 62 OFFICES WORLDWIDE

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, which comprises 32 offices in Europe and Africa, 23 in Asia-Pacific and 7 in the Americas, offers bespoke solutions to client needs and an enhanced level of security and reliability in goods tracking.

32 OFFICES IN EUROPE AND AFRICA

Annecy, Barcelona, Bamako, Bobo-Dioulasso, Bordeaux, Dakar, 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-CLASQUIN), Valencia, Villefranche-sur-Saône (LCI-CLASQUIN), Vitrolles (LCI-CLASQUIN).

7 OFFICES IN THE AMERICAS

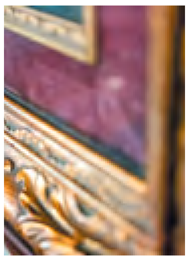
Atlanta, Chicago, Los Angeles, Miami, Montreal, New York airport, Santiago (Chile).

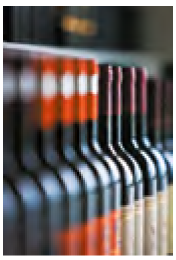
23 OFFICES IN ASIA-PACIFIC

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

E. A PRESTIGIOUS CLIENT PORTFOLIO TESTIFYING TO THE QUALITY OF OUR SOLUTIONS

CLASQUIN, a true creator of value for the companies it works with, has progressively broadened its scope of intervention thanks to a personalised service which addresses both international SMEs and key accounts. CLASQUIN operates in many sectors: consumer goods, fashion and luxury, industrial goods, pharmaceuticals and cosmetics, large retail, wines and spirits, automotive, electronics, art, perishables, etc.





F. RESOUNDING SUCCESS OF A DEVELOPMENT STRATEGY BASED ON SOUND FUNDAMENTALS

For over thirty years, CLASQUIN has rolled out the same business model and demonstrated its ability to grow at a sustained pace. Our goal is to continue developing our international network on the East-West route (Asia - Middle East - Europe - the Americas) and on the more recent North-South routes (Europe-Africa, Asia-Africa and USA-Africa) while continuing to broaden our offering to include high-value added services: management of clients' overseas logistics, Supply Chain Management consulting, etc.
Even though our core business is still focused on "general cargo", we pursue our "vertical" strategy in wines and spirits, perishables, luxury goods, pharmaceuticals, etc. and more niche markets such as art and fairs & events, which are characteristically more profitable.
We are also constantly on the lookout for acquisition opportunities.

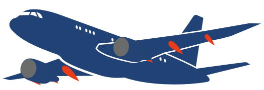
BUSINESS

A. OFFERING

OUR APPROACH: UNDERSTAND CLIENT REQUIREMENTS IN ORDER TO DESIGN BESPOKE SOLUTIONS

Understanding our clients' supply chain goals, organisation, internal processes and commitments is the primary mission of our teams worldwide. It is through discovering our clients' global logistics chain requirements that our expert teams build solutions tailored to their specific requirements.

1 AIR FREIGHT SOLUTIONS



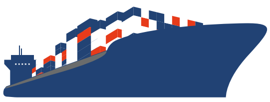
Optimising shipments
Our air freight solutions are designed to optimise shipment flows by ensuring the protection of goods, controlling transit times and reducing costs for our clients.

Our range of solutions includes:

- Shipment management by direct flights and consolidation services;
- Management of urgent shipments, AOG, 24/7;
- Chartering management for oversized packages or very large volumes.

CLASQUIN's air freight services also include:

- Finding solutions during peak seasons;
- Providing sector expertise for import and export documentation and procedures;
- Identifying solutions worldwide to deal with production chain downtime.



2 SEA FREIGHT SOLUTIONS

We are committed to meeting client expectations regarding the management of international orders. Our import and export solutions are tailored to clients' order management processes and organisation. Our operations staff and Track & Trace and data transfer solutions enable the key steps in the order process to be customised, ensuring reliable data, optimised data management and greater visibility across the whole international logistics chain.

The optimised order management guaranteed by our sea freight solutions ensures optimised physical, data and financial flows for our clients.

Our range of solutions includes:

> Managing Full Container Load (FCL) shipments;
> Managing consolidated shipments (LCL - Less than Container Load);
> Managing customised consolidation shipments;
> Managing out-of-gauge cargo: unconventional freight and heavy cargo;
> Chartering vessels for exceptional consignments in terms of volume or dimensions.

DID YOU KNOW ?

Delays in international shipments can be related to consignment non-compliance. CLASQUIN is committed to training its employees worldwide and to complying with international standards and regulations on the movement of goods, particularly in terms of safety.

FOCUS

SUB-SAHARAN AFRICA

The African economy is expected to emerge over the next twenty years thanks to the steady emergence of a middle class enabling the creation of a consumer market, a resurgence in private investments (including foreign) and increased access to new communication technologies among the population.
International shipments are developing rapidly, notably with our main partners, Europe and now Asia, in particular China. Given the favourable competitive environment (few competitors), CLASQUIN's priority area for development will be West Africa.

Our strategy for West Africa is based on four cornerstones:

- Establishing an experienced "Africa" team in France thoroughly familiar with these markets
- Setting up a system of sales representatives, subsidiaries or exclusive agents in key countries: Ivory Coast, Senegal, Mali/Mauritania, Burkina Faso and Gabon
- Creating specific offers for construction and equipment, pharmaceuticals and consumer goods markets
- Targeting international flows between France and China.

DID YOU KNOW ?

CLASQUIN is able to offer integrated consolidation solutions with guaranteed transit times between China and key West African countries.

"THE BELT & ROAD INITIATIVE (BRI)" LAUNCHED BY CHINA IN 2013

The construction of the "21st Century Maritime Silk Road" offers new transport alternatives to international carriers between China and Europe taking in Central Asia, the Middle East and South-East Asia. This initiative includes the construction of an innovative rail route that will be an alternative in terms of time, cost and reducing the carbon footprint of international transport.

3 RO/RO (ROLL ON–ROLL OFF) AND MULTIMODAL SOLUTIONS FOR NORTH AFRICA

CLASQUIN has unrivalled expertise in managing shipment flows to and from North Africa, Turkey, Bulgaria and Greece. Our consolidation solutions are based on our staff expertise, control of transport resources, service-integrated global network and digital offering.

4 OVERLAND AND WATERWAY SOLUTIONS

Our services include:

- Managing road haulage for pick-up, delivery and distribution;
- Chartering national or European consignments;
- Managing waterway shipments in Europe;
- Managing rail shipments on the Asia-Europe route.

These services are performed by a panel of experienced carriers, judiciously chosen by our experts, enabling us to fulfil our quality, transit time and performance commitments.

OUR EXPERTISE:

- Comparative studies of "rail", "sea" and "air" solutions with regard to "transit time" and "cost";
- Control of each operational stage of these services;
- A specific consolidation offer for shipments from China and France.

5 CUSTOMS AND REGULATORY COMPLIANCE SOLUTIONS

Customs management ensuring a smooth logistics chaine

To ensure the smooth running of the international logistics chain, our customs experts advise, supervise and carry out customs procedures for Group clients worldwide.

OUR EXPERTISE:

- > Advice on customs regulations including duty classification, rules on the origin and declared value of goods, tax rules;
- > Managing customs risk;
- > Tax optimisation through knowledge of special tax schemes;
- > Regulatory oversight;
- > Helping shippers to obtain AEO status;
- > Auditing of client organisational systems and internal processes;
- > Establishing agreements with customs authorities (simplified and/or on-the-spot customs clearance procedures);
- > Implementing IT solutions with our clients that prioritise communication via electronic data interchange (EDI).

DID YOU KNOW ?

CLASQUIN has been an Authorised Economic Operator (AEO) in France since 2010 and in Germany and Spain since 2018. SECURE, our customs broker subsidiary in the United States, is part of the C-TPAT programme. In China, CLASQUIN has a team of customs experts that oversee a network of specialised subcontractors according to the goods imported (luxury products, cosmetics, foodstuffs, wines and spirits, dangerous goods, manufactured goods, etc.)

B. SECTOR EXPERTISE

1 W&S

For more than 15 years, CLASQUIN has been developing an offering dedicated to the wines and spirits industry. The Group's skills centre is located in Bordeaux and a sales and marketing outpost was set up in Asia a few years ago. The Group's "traditional" offering, namely the management of wines and spirits shipments from France to Asia, was expanded throughout 2018 under the responsibility of a special manager. Today, the Group's sales teams market an offering on a global scale through CLASQUIN's presence in the eight most important wine-producing countries worldwide.

In addition, the following initiatives have been launched:

- hiring of W&S sales experts in Germany and Chile;
- establishment of a temperature-controlled storage and distribution platform in Singapore;
- launch of a temperature-controlled consolidation service between France and Singapore to serve the region;
- Group participation in wines and spirits fairs and events: 2018 Wine Trophy (South Korea), Berlin Wine Fair (February 2019) and Prowein in Düsseldorf (April 2019).

2 FASHION & LUXURY

CLASQUIN has a strong foothold in the fashion and luxury segments, with dedicated offers in these two sectors. International supply chain in the fashion sector requires flexibility (sales fluctuations, seasonal trends, etc.), sector expertise (management of clothes on hangers, customs management, product quality management, etc.) and competitiveness (optimised overall costs, digital order processing, etc.). CLASQUIN recorded sales growth with the main sector distributors in France in 2018 on the strength of its expertise in France, China, Hong Kong and Vietnam and via its partners in Bangladesh, Cambodia and Indonesia. CLASQUIN has supported the leading French luxury brands in their international expansion for many years.
The sector requires strict compliance with product integrity and heightened security along the global logistics chain. 2018 was marked by the gain in market share particularly in trade between Europe and the Gulf region. CLASQUIN appointed a vertical Fashion & Luxury manager to take charge of developing this segment.

3 RETAIL

This is a rapidly changing sector that is seeking greater visibility throughout the international logistics chain and enhanced data reliability. Using the CargoWise global TMS solution deployed across 80 % of the Group's consolidation scope by the end of 2018, CLASQUIN offers its retail sector clients management tools for standard international orders as well as customised solutions tailored to their own processes and organisation.

4 FOOD & PERISHABLES

CLASQUIN aims to strengthen its foothold in this large export segment from Europe to Asia and the North American continent. The acquisition of Marseille-based FAVAT in mid-2018 has reinforced CLASQUIN's expertise in managing port transit operations and customs clearance procedures for these types of goods. In addition, major initiatives were rolled out in 2018 to take effect during the first half of 2019, including:

- the launch of an operations office in Rungis (France), the leading global platform for foodstuff management.

5 LIFE SCIENCES & HEALTHCARE

CLASQUIN has had an ISO 9001-certified logistics platform at Shanghai and Ningbo for many years; this platform offers European and South-American depositors a wide range of services including inbound warehousing, sorting, labelling, temperature-controlled storage, consignment preparation and international freight forwarding. The Group aims to develop its operations over the coming years, in particular with a view to trade with Africa.

FINE ARTS

Since 2016, CLASQUIN has developed an offer dedicated to the organization of the transport of works of art: Art Shipping International, a company based in Paris, providing, on behalf of prestigious and international clients, personalized and customized support, techniques and regulations inherent to the world of art. The field of expertise of international art shipping includes the management of customs issues, specialized packaging, hanging, insurance coverage in addition to the international management of flows.

CLASQUIN
FAIRS & EVENTS

CLASQUIN Fairs & Events (F&E) was launched January 2018 and is based at the main trade fair centres in Paris (Parc des Expositions Nord Villepinte and Parc des Expositions Porte de Versailles). The subsidiary's core business is the organisation and implementation of transport and logistics solutions for fairs, conventions and exhibitions: the company provides services before, during and after the events for exhibitors, decorators and event organisers. The range of services on offer covers the whole trade fair cycle: transport, handling, temporary storage, customs clearance operations and rush shipments for events in France and overseas. All operations are overseen by a project manager, who is the sole contact person for the client.

In 2018, CLASQUIN Fairs & Events was involved in around 100 international events:

- **EUROSATORY**
- **VIVA TECHNOLOGY**
- **FOIRE DE PARIS**
- **JECWORLD**
- **TRUSTECH**
- **EXPOPROTECTION**
- **EQUIP BAIE**
- **INTERMAT**
- **MAISON ET OBJET**
- **SIAL**
- **ALL4PACK**
- **POLLUTEC**, and more.

The company aims to roll out its services nationwide and, in the long term, to build a Fairs & Events logistics division across CLASQUIN's office whose brand will be a benchmark for reliability and creativity.

FOCUS

3 QUESTIONS FOR:

Abdi EL HOUARI,
Managing Director

How would you rate your first year at CLASQUIN?
The first year of our fairs and events business was highly positive and we exceeded our 2018 targets. Speed of development and client trust have been significant factors.

What are the upcoming steps and targets for Fairs & Events?
We are focusing on two priorities: growing the F&E business all across France, then overseas, and contributing towards sector consolidation in order to confirm our position as a key player in the France market.

What are the major advantages of belonging to the CLASQUIN Group, compared to your main competitors?
Belonging to a flexible, responsive, financially strong French Group with an integrated global network.

RESOURCES

A. HUMAN RESOURCES

1 A COMPANY CULTURE STRONGLY CONVEYED BY OUR MOTTO

THE CLIENTS, PROFIT & Fun COMPANY

Today CLASQUIN employs over 800 people (over 30 nationalities) in 22 countries on 5 continents. Over half of our employees are based in Europe and around a third in Asia. They are fully at ease in an international, multicultural environment and are fully abreast with changes in the world and intercontinental trade; driven by a passion for freight forwarding and logistics, they harness their expertise and commitment on a daily basis to serve the Group's clients.

OUR MOTTO

CLIENTS

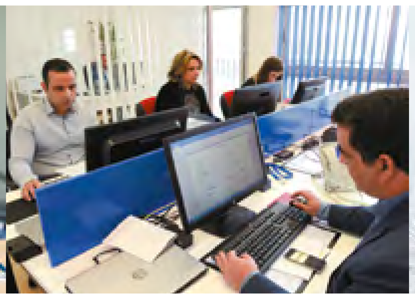
Client satisfaction is our number one priority.

PROFIT

Creating wealth is the foundation for CLASQUIN's existence; financial performance is therefore paramount, a vital factor in sustaining our development strategy and guaranteeing the satisfaction of all our stakeholders: employees, shareholders and the community at large.

Fun

We are convinced that job satisfaction is essential and, at CLASQUIN, we wish to make everyone's professional journey a resolutely human, happy and shared adventure.



ENTHUSIASM

Tackling the daily challenges of logistics and freight forwarding is what drives and motivates us.

PROFESSIONALISM

Striving every day to deliver operational excellence to our clients.

INTEGRITY

Acting fairly and transparently.

OUR VALUES


HR Team

2 HIRING - A "SACRED ACT"

> “HIRE THE BEST
> AND KEEP THE BEST”

This is the guiding principle behind our HR policy; the hiring process is highly demanding and is regarded as a “sacred act.” It is naturally selective on the basis of our fundamental values of “Professionalism, Enthusiasm, Integrity” and the internationalism required by our market position and culture.

Staff referral remains our most efficient recruitment channel. Staff referrals are supported by the Clasqu’in application accessible to all employees. The application encourages staff referrals while bringing together a community of internal ambassadors rallied around our employer brand.

WE ARE CONSTANTLY ON THE LOOKOUT FOR EMPLOYEES, MANAGERS, SALESPEOPLE AND MORE THAT SHARE OUR CULTURE AND VALUES.

Clasqu'IN

Furthermore, we strengthen our employer brand through dynamic digital communication via our employees, who express their sense of belonging and commitment:

KEY FIGURES:

371 active users via the mobile application or web session.

107 articles shared by the community.

57 job offers published in 2018.

102 job applications received in the past year.

3 AN ATTRACTIVE HR POLICY

Our HR policy incorporates all of the features that attract the best of the best:

- Autonomy and responsibility at all levels. Our Country Managers are true entrepreneurs;
- Shareholder participation for executives and employees, in countries where this is possible from a legal and practical standpoint;
- Direct, lean and efficient management relations;
- Variable remuneration for all employees, based on the collective performance of their business unit;
- Regular assessment of internal satisfaction and the possibility for all employees to express themselves anonymously (Funometer);
- Multicultural environment;
- Ongoing professional development and recognition of experience and expertise.

KEY FIGURES

70%

of employees residing in France subscribed to the employee shareholding scheme attached to the 2006 IPO.

51%

of employees are shareholders in France via the company savings plan.

56,98%

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

4 ENTREPRENEURS AND SHAREHOLDERS

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 fundamental strengths:

- Spreading the entrepreneurial spirit;
- Driving economic performance.

We encourage the development of a local shareholder base or one within the Group holding company, to achieve the twofold objective of:

- Rallying the management team around a long-term shared growth project to ensure a consistent management team over time;
- Developing a strong sense of belonging for employees of CLASQUIN subsidiaries in order to strengthen staff commitment to entrepreneurial goals in all regions.

In the French companies, the company savings plan, topped up by an attractive policy of employer contributions, offers interesting returns on employee investments in the CLASQUIN Performances company investment fund.

5 PERFORMANCE-BASED REMUNERATION

Our variable remuneration policy, which is correlated to collective performance, is a key distinguishing feature of our Company that enables us to attract the best of the best and foster team spirit.

This unique system encourages employees to commit as a team to the performance of their profit centre. The variable remuneration system comprises:

- A Collective Performance Salary based on the economic results of each profit centre;
- An Individual Performance Salary rewarding individual contribution to the achievement of motivational targets.

6 FUN@WORK ASSESSMENT:

We seek to promote a corporate culture based on team spirit and regular contact with managers. Eager to improve well-being and fun at work, enhance team commitment and performance and enhance its understanding of employee expectations, the Group has implemented an in-house satisfaction scale called the “Funometer”. The aim is to encourage all employees to express their opinions and suggestions anonymously with regard to their department, management and confidence in the Group and to use this internal consultation to develop an ambitious and proactive action plan. A questionnaire is filled out several times a year in order to track and measure changes in **Fun@Work@Clasquin**.

KEY FIGURES:

78%

of CLASQUIN employees took part in this survey that is highly conducive to team spirit.

83%

of Group employees feel good at work.

91%

of employees are confident in the Group’s future.

FOCUS

"CAREER PROGRESSION: OUR EXISTING STAFF ARE OUR BEST AMBASSADORS"

Patrice BECK
Branch Manager Lille

Patrice began his career in 1998 in overseas shipments. His flair for interpersonal relations and customer service saw his career progress toward sales positions in a number of international organisations. He joined CLASQUIN in 2006 as Business Development Manager Asia before taking over management of the Roissy office sales team. He was appointed Sales Director France in 2015, with the mission to define sales policy and expand the vendor base. In 2017 management saw his potential and he accepted the challenge of taking over as head of the Lille office, while strengthening the Group's values within its team: "Clients, Profit & Fun".
He is very proud of his office's results in 2018, but particularly proud of his team and the commitment they show on a daily basis.

Thorsten VOELKER
Managing Director
CLASQUIN Germany

Born in Cologne, Thorsten began his career in 1989 and specialises in sales and air and sea freight. His career progressed through various management positions in international organisations in Düsseldorf and Hamburg. He joined CLASQUIN in 2016 as manager of the Düsseldorf office. In September 2017, he was appointed Country Manager Germany tasked with restructuring the subsidiary's organisation in terms of services, product portfolio and results, as well as strengthening its fundamentals to ensure future growth. Today he oversees a team of nine. Together, they aim to pursue CLASQUIN's development in Germany, strengthen communications with the network and continue to make a solid contribution to Group results.

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

LAURENCE ILHE, GROUP GENERAL SECRETARY & GROUP VP HR

7 DEVELOPING SKILLS AND PROSPECTS FOR PROMOTION

The Group's appeal is based on its ability to offer talented people good prospects in terms of promotion, responsibility and personal development over the long term. This approach is based on three strategies: developing in-house skills, leveraging experience and promoting internal mobility.

Along these lines, an Internal Academy in HR development was created to encourage and support our talent:

- Identification of talent, HR and business career development;
- Individual and group coaching (team building);
- Internal mobility support in France/overseas;
- Personalised assessments;
- In-company training courses combining e-learning and classroom sessions (CargoWise, sales, communication, hiring, management and leadership, languages).

EN CHIFFRES

103
training sessions provided in 2018, totalling 1,734 hours.

30%
of employees received training or guidance in HR development.

AS A GUARANTEE OF PERSONAL FULFILMENT AND INDIVIDUALLY TAILORED CAREER PATHS, INTERNAL MOBILITY CONTRIBUTES TO OUR TEAMS' HIGH LEVEL OF EXPERTISE AND PROMOTES COLLECTIVE SUCCESS.

CLASQUIN AND ITS "FUN" CULTURE

We hold regular events for all of our employees in order to strengthen the sense of belonging to the Group, develop a competitive spirit and winning mindset and reinforce our motto, "Client, Profit & Fun".

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 get together.
The goal is to approve the company's main projects, discuss priorities and define action plans.

COMPANY PROFILE

SHAREHOLDER INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

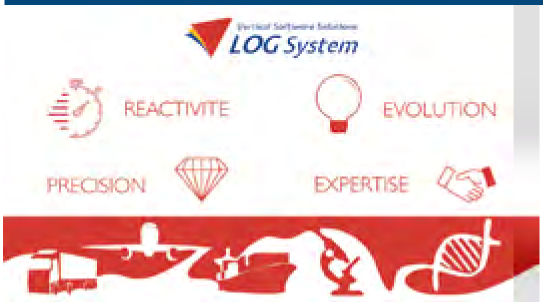
NOTES

"CLIENTS, PROFITS & Fun"

SUMMER UNIVERSITIES (SU)

This festive, multicultural sporting event, built on a culture of fun and performance, rallies the Company's staff at least once every two years, with the location alternating between Europe, Asia and America (the Group's core regions). The 2018 event brought together over 250 employees in France, on the Île des Embiez in October 2018.

FOCUS



3 QUESTIONS FOR:
Paul MOMEGE,
President of LOG System

Can you remind us what LOG System does?
Founded in 1986, LOG System specialises in software development and IT services for:

> 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 at over 180 locations worldwide.

COSMOS, (company acquired in 2018), a system 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 et **CACP**, designed for public and private research units.

> IT services:

Consultancy and **deployment** of CargoWise solution;
Expert in Microsoft solutions;
Systems and network offerings;
Customised development of digital solutions.

What were the highlights of 2018?
LOG System acquired COSMOS in January 2018. Based in Paris, COSMOS develops solutions for customs management and international trade and export documentation. LOG SYSTEM can now harness the skills of around thirty experienced developers, project managers and consultants based in Lyon and Paris.
In 2018, LOG System also set up a subsidiary in Tunisia specialising in nearshore operations (development of .net, BI, BPO, collaborative tools, S&R), Aeolus offering in French-speaking Africa.

B. IST - DIGITAL

1 VISIBILITY

The IT system is a core feature of a successful supply chain.

CLASQUIN has developed tools geared towards two of its primary challenges: reliability and responsiveness. Accessible via a secure website or through email subscription, CLASQUIN provides clients with a series of detailed reports drawn up in collaboration with the Group supply chain teams.

CONTROL TOWER

> **Purpose:** To display cargo flow status in real time via simple but precise digital tools easily adaptable to clients' business requirements.

> **Solutions:** Track-and-trace tools to manage your overseas logistics.

E-STOCK : Reliable software providing real-time visibility of inventories, regardless of their location

E-TRACING : A tool for monitoring shipments and generating real-time data on their status.

2 PERFORMANCE MANAGEMENT

Reliability and quality of service are key features of performance management.

CLASQUIN offers its clients the possibility of assessing its performance with regard to the commitments it has made.

> **Purpose:** To optimise Group clients' supply chain and measure its efficiency.

> **Solutions:** Intuitive reporting tools, a series of reports detailing discrepancies and exceptions including automatic communication of information.

E-REPORT : Software developed by CLASQUIN for customised and relevant reporting with a user-friendly interface.

IST Team

KEY FIGURES:

82%

CargoWise One deployment at 31 December 2018.

14

Group subsidiaries deployed with CargoWise at 31 December 2018.

3 INTEGRATION

Integrating order data ahead of the transport process increases visibility and enables better planning of procurement flows for our clients.

> **Purpose:** Optimise information transfers right up to the order line.

> **Solutions:** A collaborative, real-time web portal, an order management tool integrating the order portfolio in the CLASQUIN ERP, an EDI platform enabling direct interconnection between our transaction systems.

E-CONNECT :
A collaborative space designed to track orders, including a cost simulation tool.

E-ORDER :
A purchase order management solution for planning and managing upstream flows, thereby optimising procurement flows.

EDI (Electronic Data Exchange) :
CLASQUIN has the possibility of connecting your ERP systems to automatically transmit your shipment's status and ongoing updates. The update can be configured for a key date (ETA, ATA, etc.) or milestone in your shipment process.

GIFT BY CLASQUIN GROUP

GIFT : GLOBAL INTEGRATED FINANCIAL TOOL

In addition to the digital transformation underway for operating processes, through the implementation of CargoWise One software, in 2018 CLASQUIN launched a transformation plan for its financial solutions, in the areas of accounting, consolidation and cash management. Like the TMS programme, the project will be rolled out in two stages. The design phase for accounting was completed in 2018 and the Workday pilot phase was commenced at our Singapore and Malaysia subsidiaries. Deployment at other Group entities is planned for 2019.

FOCUS

A. OVERSEAS LOGISTICS, INTERNATIONAL CONQUEST AND EXPANSION

70

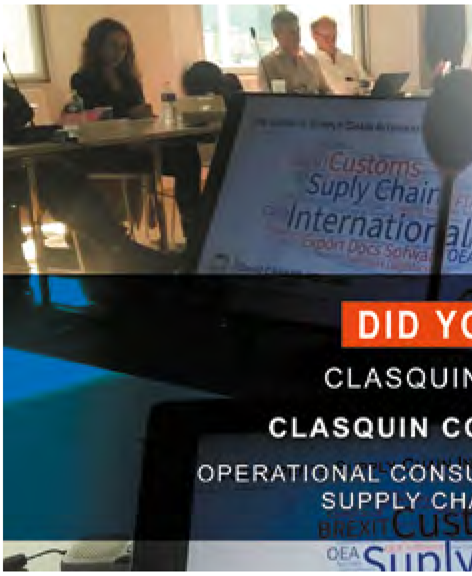
overseas logistics operations in 2018.

INDUSTRIES

Commodities, F&B, W&S, pharmaceuticals, automotive, furniture, cosmetics, etc.

CLASQUIN provides its clients with an international "conquest and expansion" offering. We engineer their international logistics and support their expansion. CLASQUIN designs storage and distribution solutions, provides tools for real-time visibility of inventory levels, optimises total costs, engineers local distribution and improves responsiveness in order to better serve these markets.

Initially deployed in China, Japan and France, overseas logistics expertise is currently offered throughout CLASQUIN's network. It has become one of the Group's main growth drivers. Combined with Supply Chain Management consulting, the overseas logistics offering provides a reliable and optimised turnkey response in a highly strategic market segment.



B. SUPPLY CHAIN MANAGEMENT, A PERFORMANCE DRIVER

Supply chain is both the main performance driver in the value chain and the weak link in the risk chain. This is why CLASQUIN has set up dedicated consulting services for its clients.
Backed by international expertise, relevant certification and custom methodology, CLASQUIN CONSULTING offers a wide range of solutions to increase

value and reduce clients' international supply chain risks. CLASQUIN develops the consulting business in order to support its sales forces and make Supply Chain Management a recognised area of expertise. This approach is reflected in the systematic training of CLASQUIN staff and in integrating a supply chain approach in all tenders.

The more international a supply chain is, the more complex it is and the greater the value-added provided by CLASQUIN CONSULTING's expertise.

"AN END-TO-END SUPPLY CHAIN MANAGEMENT APPROACH HIGHLIGHTS PERFORMANCE ISSUES LIKE NO OTHER METHODOLOGY, ADDING VALUE, REDUCING RISK AND OPTIMISING CASH MANAGEMENT."

DAVID CANARD-VOLLAND, GROUP VP SUPPLY CHAIN MANAGEMENT

CORPORATE SOCIAL RESPONSIBILITY

For over ten years, CLASQUIN has been deeply committed to sustainable development. The Group has developed its CSR approach around the 3 Ps: "People, Profit, Planet", with four objectives in mind:

- **> Building on the Group's human capital.**
- **> Limiting the environmental impact.**
- **> Getting involved in the local community.**
- **> Investing in the social economy.**

A. SOCIAL RESPONSIBILITY: AN ATTRACTIVE AND RESPONSIBLE POLICY

FULFIL: attract and retain talent, promote internal mobility and offer career prospects at a "Profit, Client & Fun" company.

LISTEN: proactively listen to staff members in order to continuously improve well-being in the workplace and foster industrial relations in order to enhance collective performance.

Three "Funometer" surveys have been organised since 2017. The response rate was 85% in 2017 and over 78% in 2018. In 2017 and 2018, over 80% of employees questioned replied that they felt satisfied at work. In 2018, over 93% of employees questioned considered that their managers were accessible and attentive.

TRAIN: develop and exploit the skills of each employee.

PROMOTE diversity: ensure equal treatment and promote diversity amongst our staff.

> "IT IS MY WISH THAT THE EXECUTIVE COMMITTEE AND ALL EMPLOYEES OF CLASQUIN FAMILIARISE THEMSELVES WITH AND FOLLOW THIS CODE SO THAT THE PREVENTION OF CORRUPTION, A GOAL IN KEEPING WITH THE VALUES WE UPHOLD, BECOMES A PERMANENT FEATURE OF THE WAY WE MANAGE ALL OF OUR OPERATIONS."

YVES REVOL, CHAIRMAN OF THE CLASQUIN GROUP, ON THE TOPIC OF ANTI-CORRUPTION AND RISK PREVENTION.

B. ENVIRONMENT: MORE SUSTAINABLE RESOURCE MANAGEMENT

CONTROL environmental impact: measure CO_2 emissions generated by the transport solutions provided and propose more sustainable alternatives.

SET an example: in relation to its operations, commit to more sustainable management of resources and act in an exemplary fashion.

In 2018, CLASQUIN SA and LOG System recycled almost 3.5 tonnes of waste.

C. SOCIAL: INVOLVEMENT IN THE LOCAL COMMUNITY

BE INVOLVED: get involved in the local community and encourage employees to follow suit.

Although the "Foot of Africa" social entrepreneurial project launched in 2012 has been temporarily suspended due to technical problems, the Group continues to contribute towards local communities by donating resources and lending its skills.

> CLASQUIN is a founding member of the Emergence foundation, a community of 37 Lyon-based companies committed to helping start-up projects designed to strengthen social bonds or create jobs by donating skills and facilitating contacts.

> In accordance with its strong commitment to equal opportunities, academic achievement and promoting employment, the Group supports locally based charity organisations such as COUP DE POUCE and RESSORT.

> Under its partnership with the TÉLÉMAQUE Institute, CLASQUIN offers its employees the chance to become a personal mentor for a schoolchild or apprentice coming from a humble background, in order to provide guidance throughout their schooling and help them gain self-confidence.

In 2018, CLASQUIN was ranked among the top 10 sporting companies in France (companies with over 250 employees - 3rd year of the French "Prix des Entreprises les plus Sportives" awards). This ranking is part of "Sentez-Vous Sport", France's leading inter-company multi-sport challenge aimed at rewarding and promoting companies that do the most to promote sport among their employees.

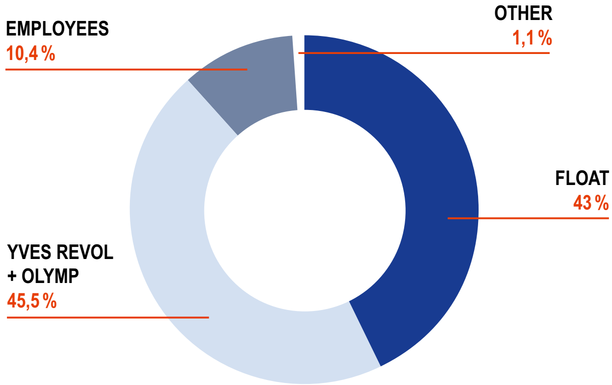
PREVENTION: combat bribery and corruption by committing to preventing risks of corruption in relation to Group operations.

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 2018:** €4,612,802 divided into 2,306,401 shares with a par value of €2.00 each.

B. SHAREHOLDERS AS AT 31 DECEMBER 2018



C. SHARE PRICE IN 2018

Closing share price at 31 December 2017: €35.99
Closing share price at 31 December 2018: €30.00
Highest closing price in 2018: €42.50
Lowest closing price in 2018: €30.00

Average daily trading volume in 2018: 1,063 shares traded
Market capitalisation at 31 December 2018: €69.2m
Public float at 31 December 2018: 43.0%.

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 €0.65 per share – i.e. 53.5% of 2018 consolidated net profit Group share – will be proposed at the 5 June 2019 Annual General Meeting.

E. LISTING SPONSOR

CM-CIC Market Solutions 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, subject to automatic renewal 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.

A new contract was signed with ODDO on 18 March 2019 in accordance with applicable statutory provisions.

G. FINANCIAL ANALYSIS

Four financial analysts tracked the CLASQUIN share during 2018. They were:

> **ODDO BHF**
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

A new analyst will start tracking the CLASQUIN share as of 2019:
> **PORTZAMPARC**
Responsible for the research note: Yann de PEYRELONGUE

Their analyses may be consulted on the Company's website (**www.clasquin.com**) in the **"Investors/ Financial information"** section, subsection **"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. **www.euronext.com** provides financial and market information on the Company.

I. 2019 SHAREHOLDERS' AGENDA

> **MONDAY 29 APRIL:**
Business report as at 31 March 2019
> **WEDNESDAY 5 JUNE:**
Combined Annual General Meeting
> **THURSDAY 29 AUGUST:**
Business report as at 30 June 2019
> **MONDAY 23 SEPTEMBER:**
2019 half year results
> **WEDNESDAY 30 OCTOBER:**
Business report as at 30 September 2019

J. PERSONS RESPONSIBLE FOR THE INFORMATION

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

CLASQUIN GROUP:
235, COURS LAFAYETTE - 69006 LYON - FRANCE.
TEL. : +33 (0)4 72 83 17 00 - FAX : +33 (0)4 72 83 17 33.

CLASQUIN

OVERSEAS FORWARDING & LOGISTICS EXPERTS

2018 CONSOLIDATED FINANCIAL STATEMENTS

LCI CLASQUIN.

CLASQUIN Germany.

EUROPE

The CLASQUIN Group operates in five European countries (France, Italy, Spain, Portugal and Germany).

CLASQUIN Portugal.

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CLASQUIN
Accounts

A. FINANCIAL STATEMENTS

1 CONSOLIDATED INCOME STATEMENT

(in euro thousands)	Notes	2018	2017
SALES	4.1.	**308,341**	**290,587**
Cost of sales		(239,455)	(227,696)
GROSS PROFIT		**68,886**	**62,891**
Other purchases and external charges		(16,039)	(14,200)
Taxes and duties		(902)	(854)
Staff expenses	5	(42,686)	(40,469)
Net depreciation, amortisation and provisions		(2,836)	(1,903)
Other current income		445	1,268
Other current expenses		(366)	(857)
CURRENT OPERATING INCOME		**6,502**	**5,875**
% gross profit		*9.4%*	*9.3%*
Other operating income	4.3	663	125
Other operating expenses	4.3	(1,385)	(561)
OPERATING INCOME		**5,780**	**5,440**
Net cost of debt	8.2.1	(210)	(209)
Other financial income	8.2.2	952	931
Other financial expenses	8.2.2	(1,069)	(1,432)
Income from equity affiliates		54	95
PROFIT BEFORE TAX		**5,506**	**4,825**
Income tax	6	(2,115)	(1,927)
GROUP CONSOLIDATED NET PROFIT		**3,391**	**2,898**
Attributable to:			
• Parent company shareholders		2,803	2,489
• Non-controlling interests		588	409
Net profit - group share per share:	9.4		
• Basic earnings per share (€)		1.22	1.08
• Diluted earnings per share (€)		1.22	1.08

2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in euro thousands)	2018	2017
GROUP CONSOLIDATED NET PROFIT	**3,391**	**2,898**
ITEMS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR AFTER TAX	**426**	**(1,424)**
ITEMS OF OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	**287**	**(1,441)**
Cash flow hedges	32	52
Translation differences	263	(1,478)
Tax effect	(9)	(14)
ITEMS OF OTHER COMPREHENSIVE INCOME NOT RECLASSIFIABLE TO PROFIT OR LOSS	**140**	**17**
Actuarial gains/losses	194	23
Tax effect	(54)	(6)
2018 COMPREHENSIVE INCOME	**3,817**	**1,474**
Attributable to:		
• Parent company shareholders	3,251	1,193
• Non-controlling interests	567	281

Olivier, Antoine
& Adrien

3 BALANCE SHEET

(in euro thousands)	Notes	31 December 2018	31 December 2017
ASSETS			
Goodwill	7.1	16,322	14,729
Intangible assets	7.2	5,668	4,854
Property, plant and equipment	7.3	5,743	5,095
Financial assets available for sale		-	150
Other financial assets		934	838
Investments in equity affiliates		102	152
Deferred tax assets	6.3	1,537	1,628
NON-CURRENT ASSETS		**30,305**	**27,446**
Trade receivables	4.2	79,883	73,569
Other current assets	4.4	5,492	4,001
Current tax receivables		1,348	1,487
Cash and cash equivalents	8.1.2	23,175	20,223
CURRENT ASSETS		**109,898**	**99,280**
TOTAL ASSETS		**140,202**	**126,726**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Share capital	9.1	4,613	4,613
Additional paid-in capital		4,245	4,245
Consolidated reserves		9,770	8,378
Net profit Group share		2,803	2,489
SHAREHOLDERS' EQUITY - GROUP SHARE		**21,431**	**19,726**
Non-controlling interests		3,038	3,152
SHAREHOLDERS' EQUITY		**24,469**	**22,877**
Non-current provisions	10	42	43
Non-current provisions for pensions	5.2	809	872
Non-current financial liabilities	8.1	14,177	14,403
Liabilities relating to put options granted to non-controlling shareholders - more than one year	2.3.1	2,863	3,062
Deferred tax liabilities	6.3	329	363
Other non-current liabilities	4.5	113	145
NON-CURRENT LIABILITIES		**18,333**	**18,888**
Current provisions	10	-	38
Current financial liabilities	8.1	24,824	18,222
Liabilities relating to put options granted to non-controlling shareholders – less than one year	2.3.1	139	343
Trade and related payables		61,628	53,465
Current tax payables		281	389
Other current payables	4.5	10,529	12,503
CURRENT LIABILITIES		**97,400**	**84,960**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**140,202**	**126,726**

4 CASH FLOW STATEMENT

(in euro thousands)	Notes	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES			
Group consolidated net profit		3,391	2,898
Income from equity affiliates		(54)	(95)
Dividends received from equity affiliates		29	29
Non-cash income and expenses	12.1	2,549	2,492
Losses/(profits) related to changes in interests with acquisition/loss of control of subsidiaries		20	-
Net cost of debt	8.2.1	210	209
Tax expense (payable and deferred)	6.1	2,115	1,927
GROSS OPERATING CASH FLOW		**8,261**	**7,460**
Income tax paid		(2,230)	(2,341)
Changes in working capital	12.2	(1,603)	(2,722)
NET CASH FLOW FROM OPERATING ACTIVITIES		**4,428**	**2,396**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of intangible assets	7.2	(1,862)	(2,320)
Acquisitions of property, plant and equipment	7.3	(1,736)	(1,266)
Disposals of intangible assets and PP&E		47	71
Acquisitions of financial assets		(219)	(423)
Disposals of financial assets		231	200
Impact of changes in consolidation scope with change of control (1)		(1,856)	(2)
Impact of changes in consolidation scope relating to associates and/or joint ventures (2)		115	-
NET CASH FLOW USED BY INVESTING ACTIVITIES		**(5,279)**	**(3,739)**
CASH FLOW USED BY FINANCING ACTIVITIES			
Parent company capital increase and decrease		-	-
Transactions between the Group and owners of non-controlling interests		(670)	27
Dividend payments to Shareholders of the Company	9.3	(1,844)	(1,844)
Dividends paid to non-controlling interests		(78)	(113)
Increase, loans and financial liabilities	8.1.3.2	6,744	3,658
Decrease, loans and financial liabilities	8.1.3.2	(5,648)	(5,444)
Interest paid, net	8.2.1	(210)	(209)
NET CASH FLOW USED BY FINANCING ACTIVITIES		**(1,707)**	**(3,924)**
IMPACT OF EXCHANGE RATE FLUCTUATIONS		**78**	**(1,078)**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(2,479)**	**(6,346)**
OPENING NET CASH AND CASH EQUIVALENTS		**7,733**	**14,079**
CLOSING NET CASH AND CASH EQUIVALENTS		**5,253**	**7,733**

(1) At 31 December 2018, the main transactions mainly related to - see Note 2.1:
- the acquisition of FAVAT for €1,348,000, including €1,943,000 outflow relating to the purchase price and €594,000 inflow relating to net cash acquired.
- the acquisition of COSMOS CONSULTANTS for €271,000 (€348,000 for the acquisition of shares and €77,000 in net cash acquired),
- the disposal of ECS US for €235,000 (€60,000 for the sale of shares and €296,000 in net cash disposed).
At 31 December 2017, this transaction related to the takeover of EAST ASIA LOGISTICS - See Note 2.2.
(2) Relates to the liquidation of MED-TIR.

5 CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

(in euro thousands)	Share capital	Additional paid-in capital	Treasury shares	Reserves & Consolidated results
AT 31 DECEMBER 2016	**4,613**	**4,245**	**(118)**	**10,899**
Other comprehensive income/(loss) for the year				
Net profit/(loss) for 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 interests resulting in the acquisition/loss of control of subsidiaries [2]				
Change in 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**
Other comprehensive income/(loss) for the year				
Net profit/(loss) for the year				2,803
Consolidated comprehensive income for the year				**2,803**
Dividends paid [1]				(1,844)
Purchases and sales of treasury shares			(61)	
Change in interests resulting in the acquisition/loss of control of subsidiaries [2]				695
Change in interests not resulting in acquisition/loss of control of subsidiaries [3]				(334)
Other changes				(2)
AT 31 DECEMBER 2018	**4,613**	**4,245**	**(186)**	**12,450**

(1) See Note 9.3 for dividends paid. Dividends paid on non-controlling interests during the year relate to the sub-group CLASQUIN LCI entities and ART SHIPPING INTERNATIONAL of €58,000 and €20,000 respectively (2017: CLASQUIN US, CLASQUIN LCI sub-group and ART SHIPPING INTERNATIONAL for €53,000, €47,000 and €12,000 respectively).

(2) The €368,000 impact recorded in 2018 mainly corresponds to the disposal of ECS US. At 31 December 2017, no significant transaction relating to the acquisition/loss of control of subsidiaries had been recorded during the year.

(3) The negative €610,000 impact mainly relates to the purchase of additional CLASQUIN US shares and the disposal of a portion of the CLASQUIN FAIRS & EVENTS capital for a €685,000 outflow and €15,000 inflow respectively, as well as the change in commitments to purchase non-controlling interests in the CLASQUIN LCI sub-group and ART SHIPPING INTERNATIONAL for an €87,000 inflow and €27,000 outflow respectively.
At 31 December 2017, the €395,000 decrease mainly related to the change in commitments to purchase non-controlling interests in sub-group CLASQUIN 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.

Cash flow hedges	Translation differences	Actuarial gains/losses	Shareholders' equity Group share	Non-controlling interests	Total shareholders' equity
(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)
			0		0
			(416)	22	(395)
			3	(12)	(7)
(88)	**(119)**	**69**	**19,726**	**3,152**	**22,877**
20	325	103	448	(22)	426
			2,803	588	3,391
20	**325**	**103**	**3,251**	**567**	**3,818**
			(1,844)	(78)	(1,922)
			(61)		(61)
			695	(326)	368
			(334)	(277)	(610)
			(2)		(2)
(68)	**206**	**172**	**21,431**	**3,038**	**24,469**

CLASQUIN
Greater China

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 2018, as well as the related notes, were approved by the Board of Directors on 19 March 2018 and will be submitted to the shareholders' Combined Annual General Meeting on 5 June 2019 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 2018. 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 1st January 2018

Main standards, amendments and interpretations which were mandatory as of 1 January 2018	
IFRIC 22	On 8 December 2016, the IASB published IFRIC 22 "Foreign Currency Transactions and Advance Consideration", concerning the exchange rates to be used to recognise purchases and sales subject to upfront payments.
Amendments to IAS 40	On 8 December 2016, the IASB published amendments to IAS 40 "Investment property" entitled "Transfers of investment property". An entity must transfer a property from (or to) the category "investment property" if and only if there is an indication of a change of use.
Amendments to IFRS 2	On 20 June 2016, the IASB published amendments to IFRS 2 "Share-based Payment Transactions" entitled "Classification and Measurement of Share-based Payment Transactions".
Annual improvements (2014-2016) to IFRS	On 8 December 2016, the IASB published Annual Improvements to the 2014 - 2016 IFRS Cycle, concerning IFRS1, IFRS 12 and IAS 28.
IFRS 15 Revenue from Contracts with Customers and amendments to IFRS 15	IFRS 15 supersedes 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.
IFRS 15 Clarification to IFRS 15	On 12 April 2016, the IFRS Foundation published clarifications to IFRS 15 "Revenue from Contracts with Customers".
IFRS 9 Financial Instruments	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.

1.1.2 Main standards, amendments and interpretations adopted by the European Union mandatory for years beginning on or after 1st January 2018 for which the Group has not opted for early application

Main standards, amendments and interpretations		Date of application
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
IFRS 16 Lease agreements	On 13 January 2016, IASB published IFRS 16 "Leases". IFRS 16 supersedes IAS 17 as well as the related IFRIC and SIC interpretations, and removes the previous different accounting treatments for "operating lease agreements" and "finance lease agreements". Lessees 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.	1 January 2019
Amendments to IAS 28	Amendments to IAS 28 entitled "Long-term interests in Associates and Joint Ventures", adopted on 8 February 2019 by the European Commission.	1 January 2019

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 analyses 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 analyses performed did not result in any material impacts at the transition date.

CLASQUIN
JFK

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, applicable to financial years starting on or after 1 January 2018, introduces changes to IAS 39:

- the classification and measurement of financial assets are now based on the joint analysis of the investment model for each asset portfolio with contractual characteristics of the financial assets,
- impairment is now based on the expected credit loss model and no longer on actual losses,
- hedging terms and conditions provide a more flexible model for the implementation of hedge accounting.

The Group's work has not resulted in the identification of any material changes to the classification and/or measurement of financial assets. A detailed analysis was also carried out, specifically regarding credit risk of trade receivables. The impairment model under IFRS 9, based on expected credit losses, involves the impairment of trade receivables not yet due. Due to the credit risk management system implemented by the Group and work carried out, the impact on the Group's financial statements was not deemed material. No restatement has been recorded. Financial instruments eligible for hedge accounting and for which the hedges are effective still meet the criteria for hedge accounting under IFRS 9.

IFRS 16

On 13 January 2016, the IASB published IFRS 16 "Lease Agreements", which will supersede IAS 17 as well as the associated interpretations, applicable as of 1 January 2019.

IFRS 16 no longer distinguishes between an operating lease and a finance lease. A single model will now have to be used: lessees will be required to account for all leases with a term of more than one year according 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 IFRS 16 will have an impact on the Group's financial statements, particularly due to commitments relating to real estate leases. The application of IFRS 16 will result in an increase in the Group's rental liabilities, as well as an improvement in EBITDA, current operating income and cash flow from operating activities.

Identification work was carried out in 2018. At this stage, just over a hundred contracts have been identified, mainly relating to real estate leases and the vehicle fleet.

In 2018, the Group acquired software helping it to monitor all leases, in both their operational and financial aspects.

The Group continues to assess the potential impacts of applying this standard, whose main focus is to determine the term of rental contracts, due to the broad divergence of applicable legal rules from one country to another.

The Group is also still assessing the approach to be adopted with regard to transition arrangements, i.e. the application of a simplified retrospective approach or the application of a full retrospective approach.

CLASQUIN
Spain

1.1.3 Principal standards, amendments and interpretations published by the International Accounting Standards Board (IASB) by the European Union

Main standards, amendments and interpretations		Date of application
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
Amendments to References of the Conceptual Framework in IFRS Standards	Publication of a revised version of the Conceptual Framework for financial information underlying IFRS.	1 January 2019
Amendments to IFRS 3	Amendments to clarify application guidance, in order to help stakeholders distinguish between a business and a group of assets when applying IFRS 3.	1 January 2019
Amendments to IAS 1 and IAS 8	Changes to the definition of the term "material" to make it easier for companies to exercise materiality judgements.	1 January 2019

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

1.2 Bases of preparation

1.2.1 Bases 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.

CLASQUIN
Accounts

2.1 Transactions carried out in 2018

2.1.1 Transfer of CLASQUIN FAIRS & EVENTS without loss of control

On 9 January 2018, CLASQUIN SA sold 30% of the capital in CLASQUIN FAIRS & EVENTS to a minority shareholder for €15,000, taking its stake to 70%.
In accordance with IFRS, these transactions led to reclassifications between Group and minority reserves (see Change in consolidated shareholders' equity).

2.1.2 Acquisition of COSMOS CONSULTANTS

On 24 January 2018 LOG SYSTEM (the Group's IT subsidiary) acquired 100% of the capital in COSMOS CONSULTANTS for €348,000. This company, based in France, publishes international trade and customs management solutions. This acquisition enhances the LOG SYSTEM sales offering.

The fair value of assets acquired and liabilities assumed amounts to €19,000. This resulted in provisional goodwill of €328,000 which was allocated to the "IT services" CGU - See Note 7.1.

The contribution of COSMOS CONSULTANTS' businesses to the Group's sales and consolidated net profit amounted to €327,000 and €25,000 respectively in 2018.

2.1.3 Creation of LOG SYSTEM TUNISIA

On 1 March 2018 LOG SYSTEM created LOG SYSTEM TUNISIA. This company specialises in Microsoft solutions, nearshore development and business process outsourcing.

2.1.4 Increase in equity interest in CLASQUIN USA

On 29 March 2018, CLASQUIN SA purchased an additional 20% interest in CLASQUIN USA for US$837,000 (€685,000), thus increasing its stake from 80% to 100%. This additional acquisition was treated as a transaction between shareholders and impacted the Group's shareholders' equity and non-controlling interests (see Change in consolidated shareholders' equity).

2.1.5 Acquisition of FAVAT TRANSIT (FAVAT)

On 5 July 2018, CLASQUIN SA acquired the entire share capital of FAVAT TRANSIT (FAVAT) based in Marseille for €2,019,000 (including €76,000 in transaction fees). This company specialises in the customs and transport of oilseeds, fertilisers and food raw materials to and from Africa and the Mediterranean region.

At the date control was acquired, the fair value of the identifiable assets and liabilities was as follows:

(in euro thousands)	**Fair value at 5 July 2018**
Intangible assets	46
Property, plant and equipment	5
Other non-current assets	1
Deferred tax assets	4
Trade receivables	803
Other current assets	3
Cash and cash equivalents	594
ASSETS	**1,456**
Non-current provisions for pensions	16
Trade payables	236
Other current payables	372
LIABILITIES	**624**
Fair value of fully identifiable assets and liabilities, net (A)	**832**
Purchase price net of transaction costs (B)	**1,943**
GOODWILL (B) - (A)	**1,111**

The fair value measurement of identifiable assets and liabilities resulted in the recognition of €1,111,000 in goodwill allocated to the Forwarding & Logistics CGU. The main fair value adjustments relate to the recognition of a €16,000 pension commitment and related deferred tax assets of €4,000.

The contribution of FAVAT'S business activities to the CLASQUIN Group's consolidated sales and profit for the period from July 2018 to December 2018 amounted to €994,000 and €81,000, respectively. If the takeover had occurred on 1 January 2018, the additional contribution to the Group's consolidated sales and profit would have amounted to €2,136,000 and €133,000, respectively.

On 29 December 2018, Favat was wound up without liquidation via a universal transfer of assets to CLASQUIN SA.

2.1.6 Disposal of EXPRESS CONSOLIDATION SYSTEM CORP. (ECS US)

On 30 October 2018, CLASQUIN SA sold its entire equity interest in ECS US to its long-time associate and current manager, generating a net outflow of €456,000, recognised under Other operating expenses (See Note 4.3).

Alongside the disposal, the purchase agreement entered into between CLASQUIN SA and the non-controlled interests became void (see Changes in Shareholders' Equity).

If the disposal had taken place on 1 January 2018, the impact on sales would have been a decrease of €12,452,000; the impact on pre-tax profit would have been an increase of €127,000.

2.1.7 Other changes in consolidation scope

During the first quarter of 2018, MED-TIR and ECS Barbados were wound up. The impact of the ECS BARBADOS liquidation is considered non-material. The impact of MED-TIR amounted to €78,000 (See Note 4.3).

2.2 Transactions carried out in 2017

2.2.1 Acquisition of EAST ASIA LOGISTICS

On 25 March 2017, CLASQUIN SA purchased a 49% equity interest in EAST ASIA LOGISTICS COMPANY LIMITED, based in Vietnam, for €5,000. The assets and liabilities acquired as well as the resulting badwill are not considered material.

2.2.2 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 2017 year-end.

In accordance with IFRS, these transactions did not give rise to reclassifications between Group and minority reserves.

2.2.3 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.

2.2.4 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.

Team CLASQUIN
CDG

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)]	139	80%	20%	Variable	139		
LCI FINANCIÈRE [(1)]	2,863	80%	20%	Variable		2,863	
TOTAL COMMITMENTS	**3,002**				**139**	**2,863**	**0**
• *current*	*139*						
• *non-current*	*2,863*						

(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 its own weighting.

2.3.1.2 Change in put options of non-controlling interests

(in euro thousands)	**Amounts at 1 January 2018**	**New transactions**	**Fair value adjustments recorded under consolidated reserves**	**Foreign exchange differences**	**Other changes**	**Amounts at 31 December 2018**
Commitments to non-controlling interests	3,405		(546)	143		3,002

The €403,000 change relates to updated assumptions used to determine the fair value of put options of non-controlling interests, as well as the disposal of ECS US (See Note 2.1.6).

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 €3,002,000 at 31 December 2018, down from €3,405,000 at 31 December 2017 and concern ART SHIPPING INTERNATIONAL and FINANCIÈRE LCI. These options may be exercised as of 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	306,207	3,271	(1,136)	308,341
Gross profit	67,008	2,916	(1,038)	68,886
Operating income	6,286	199	17	6,502

3.2 Key indicators by geographical area: Gross profit

(in euro thousands)	2018	2017
France	39,097	34,271
EMEA (excluding France)	6,829	6,802
Asia-Pacific	17,735	16,793
Americas	7,645	7,715
Total before consolidation entries	**71,306**	**65,581**
Consolidation entries	(4,298)	(3,857)
TOTAL OVERSEAS FREIGHT	**67,008**	**61,724**

3.3 Key indicators by business: Gross profit

(in euro thousands)	2018	2017
Air freight	23,472	20,721
Sea freight	30,519	30,156
Other	13,016	10,847
TOTAL OVERSEAS FREIGHT	**67,008**	**61,724**

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

The various types of IT services and the related accounting methods are as follows:

• 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 generates a credit note, issued by the Company at the time of invoicing. These credit notes are entered under purchases.

CLASQUIN Group sales amounted to €308,341,000 in 2018, up from €290,587,000 in 2017, an increase of 6.1%. Changes in exchange rates had a negative impact of 2 points. At constant exchange rates, consolidated sales increased 8.1% from 2017 to 2018.

The Group's gross margin increased 9.5% to €68,886,000 in 2018, compared to €62,891,000 in 2017. At constant exchange rates, the gross margin increased 11.3%. Between 2017 and 2018, changes in exchange rates had a 1.8-point 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.

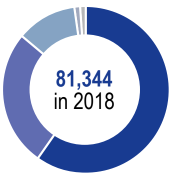
Trade receivables are written down taking account of various criteria, such as: the client's financial situation, late payments, credit rating from an independent agency and geographical location.

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)	2018	2017
Trade receivables	81,344	74,633
Impairment of trade receivables	(1,460)	(1,064)
Net receivables	**79,883**	**73,569**



(in euro thousands)		2018	2017
60.2%	- Not due	48,989	44,666
21.8%	- Less than 1 month overdue	17,729	19,684
15.2%	- More than 1 month and less than 6 months overdue	12,342	8,744
1.6%	- More than 6 months and less than 1 year overdue	1,283	777
1.2%	- More than 1 year overdue	1,002	762
Gross trade receivables		**81,344**	**74,633**

Gross trade receivables not due and less than one month overdue at 31 December 2018 amounted to €48,988,000 and €17,729,000 respectively, i.e. 82.0% of total gross trade receivables (86.2% at 31 December 2017). Overdue receivables have been written down in an amount of €1,460,000 (€1,064,000 at 31 December 2017).

4.2.2 Impairment of current assets

(in euro thousands)	2018	2017
At 1 January	**(1,064)**	**(1,499)**
Additions	(498)	(176)
Reversals	83	552
Change in consolidation scope	26	
Foreign exchange difference	(8)	59
At 31 December	**(1,460)**	**(1,064)**

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)	2018	2017
Other operating income	663	125
Other operating expenses	(1,385)	(561)
TOTAL NET OTHER OPERATING INCOME AND EXPENSIES	**(722)**	**(436)**
Breakdown by type		
Net income/(loss) on the disposal of non-current assets	(157)	(179)
Net income/(expenses) relating to changes in consolidation scope (1)	(383)	-
Net income/(loss) on the disposal of non-current assets	**(540)**	**(179)**
Provisions for risks and contingencies	30	(30)
Other (2)	(211)	(227)
Other operating income and expenses	**(181)**	**(257)**
TOTAL NET OTHER OPERATING INCOME AND EXPENSIES	**(722)**	**(436)**

(1) Net income and expenses on changes in the consolidation scope mainly relate to the disposal of ECS US for €456,000, which is offset by the liquidation of MED-TIR for €78,000.
(2) The €211,000 amount primarily relates to costs incurred for changes in the consolidation scope.

4.4 Other assets

(in euro thousands)	2018	2017
Other receivables	4,299	2,463
Tax receivables	1,174	1,418
Social security receivables	18	120
Derivatives - fair value hedge (assets)	1	-
TOTAL	**5,492**	**4,001**

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

CLASQUIN
Germany

4.5 Other payables

(in euro thousands)	2018	2017
Tax payables	680	487
Social security payables	7,697	7,990
Current tax payables	281	389
Derivatives - fair value hedge	4	17
Derivatives - cash flow hedge	113	145
Deferred income	223	176
Other creditors	1,925	3,833
TOTAL	**10,923**	**13,037**
• *non-current*	*113*	*145*
• *current*	*10,810*	*12,892*

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.

CLASQUIN
France

4.6.1 Operating lease commitments (off balance sheet)

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

At 31 December 2018 and 31 December 2017, the schedule for minimum future payments under these agreements is as follows:

(in euro thousands)	2018	2017
< 1 year	3,186	2,781
1 to 5 years	3,347	1,552
> 5 years	15	-
Total minimum payments	**6,548**	**4,332**

(in euro thousands)	2018	2017
Minimum payments recognised	4,234	3,694
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)	2018	2017
Securities and bank guarantees given	8,934	5,733
Asset /liability guarantees (1)	-	280
Total commitments given	**8,934**	**6,013**
Maturities:		
< 1 year	*1,802*	*2,530*
1 to 5 years	*1,950*	*-*
> 5 years	*5,183*	*3,483*

(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)	2018	2017
Asset /liability guarantees (1)	1,334	2,504
Total commitments received (2)	**1,334**	**2,504**
Maturities:		
< 1 year	*819*	*904*
1 to 5 years	*104*	*1,600*
> 5 years	*411*	*-*

(1) Mainly corresponds to asset/liability guarantees:
- following the acquisition of sub-group CLASQUIN LCI in 2015, CLASQUIN SA received a guarantee of an initial amount of €2,400,000. At the closing date, this guarantee covered an amount of €800,000 until 31 March 2019,
- the acquisition of ART SHIPPING INTERNATIONAL in 2016 is covered by the normal guarantees, amounting to €19,000 until 30 April 2019,
- as part of the COSMOS CONSULTANTS acquisition, LOG SYSTEM benefited from a €104,000 guarantee at the end of 2018. This guarantee will be decreased to €84,000, then to €63,000 at the end of 2019 and 2020,
- following the acquisition of FAVAT, CLASQUIN SA was granted the usual guarantees, amounting to €411,000 at the end of 2018. This amount will be gradually decreased, to be extinguished by 31 December 2023. By the final commitment period, the guarantee will total €123,000.
(2) The change recorded between 2017 and 2018 results from the guarantees obtained from COSMOS CONSULTANTS and FAVAT, the decrease in the guarantee attached to the acquisitions of ART SHIPPING INTERNATIONAL and sub-group LCI, as well as the extinction of guarantees relating to GARNETT shares and AWC JFK business assets.

NOTE 5 HEADCOUNT AND EMPLOYEE BENEFITS EXPENSES

5.1 Headcount

Average consolidated headcount breaks down as follows:

(in euro thousands)	2018	2017
France	366	334
EMEA (excluding France)	70	80
Asia-Pacific	265	254
Americas	49	65
OVERSEAS FREIGHT SECTOR	**750**	**733**
IT SERVICES SECTOR	**40**	**29**
TOTAL	**790**	**762**

5.2 Employee benefits

Employee benefits are valued in accordance with IAS 19 amended, applicable as of 1 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)	2018	2017
Salaries and wages	32,314	30,828
Social security charges	10,372	9,642
Pension charges under defined contribution plans	10	85
TOTAL	**42,696**	**40,554**

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 2018, the Group recognised CICE income of €446,000 (€477,000 in 2017) 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 and similar commitments. 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, LCI CLASQUIN, ART SHIPPING INTERNATIONAL, FAIRS & EVENTS and FAVAT TRANSIT, the Road Haulage and Ancillary Services agreement applies,
  - for LOG SYSTEM and COSMOS CONSULTANTS, the Syntec agreement must be used,
- their length of service,
- 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)	2018	2017
Discount rate	1.60%	1.30%
Expected rate of future salary increase	2% to 3%	2% to 3%
Mortality table	INSEE Men/Women 2013/2015	INSEE Men/Women 2013/2015
Staff turnover	Depending on age range	Depending on age range

The sensitivity analysis, by varying the discount rate of +/- 0.25%, did not reveal any significant difference (+/- €15,000) in the commitment.

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5.2.2.2 Change in commitments

Changes recorded under liabilities are as follows:

(in euro thousands)	2018	2017
COMMITMENTS AT START OF THE YEAR	**872**	**816**
Actuarial (gains) or losses recorded under items of other comprehensive income related to:	(194)	(23)
• *changes in financial and demographic assumptions*	*(63)*	*(9)*
• *experience adjustments*	*(131)*	*(14)*
Change in consolidation scope	103	-
Items recognised on the income statement	19	92
• *service cost*	*10*	*85*
• *interest cost*	*9*	*7*
Exchange rate fluctuations	8	(13)
COMMITMENTS AT YEAR END	**809**	**872**

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

(in euro thousands)	2018	2017
Service cost	10	85
• *including service cost rendered during the period*	*10*	*89*
• *including past service cost*	*-*	*(4)*
Interest expenses	9	7
Taxes	(13)	(13)
Net cost of benefits on the income statement	**6**	**79**
Actuarial (gains) or losses recorded under items of other comprehensive income related to:	(194)	(23)
• *changes in financial and demographic assumptions*	*(63)*	*(9)*
• *experience adjustments*	*(131)*	*(14)*
Exchange rate fluctuations	8	(13)
Taxes	54	6
Net cost of benefits impacting items of other comprehensive income	**(131)**	**(30)**
Net cost of benefits under comprehensive income	**(125)**	**49**

5.2.3 Defined contributions

Some subsidiaries make payments to external management organisations and participate in defined contribution plans. At 31 December 2018, the Australian, Hong Kong and Korean subsidiaries recorded a charge of €132,000 (€149,000 at 31 December 2017).

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 €1,275,000 for 2018, including €29,000 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

Income tax expenses include 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)	2018	2017
Current income tax	2,248	1,965
Deferred tax	(133)	(38)
Total income tax expenses recorded on the income statement	**2,115**	**1,927**
Income tax on items recorded in "Other comprehensive income"	**63**	**21**

For the financial year ended 31 December 2018, the Group recorded a tax expense of €2,115,000, corresponding to an effective tax rate of 38.4%.

6.2 Tax reconciliation

(in euro thousands)	2018	2017
Profit before tax	**5,506**	**4,825**
Normal tax rate in France	33%	33%
Theoretical tax (charge)/income	**(1,835)**	**(1,608)**
Impact of:		
• Impact of differences in foreign tax rates	290	141
• Unrecognised deferred tax assets and unused tax losses	(642)	(878)
• Use of previously unrecognised tax losses	26	67
• CVAE	(305)	(274)
• Tax credits	147	159
• Permanent differences between accounting and taxable income	204	467
Group income tax expenses	**(2,115)**	**(1,927)**

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 2018	Change in consolidation scope	Impact on profit	Impact on reserves	Foreign exchange difference	Amount at 31 December 2018
DEFERRED TAX ASSETS						
Intangible assets	66		(12)	2	6	62
Organic	5		1			6
Provision for pension payments	151		13	(25)		139
Financial instruments	46		(3)	(9)		34
Other temporary differences	548		(75)		14	487
Tax losses carried forward	918		(47)	46	3	921
DTA/DTL offset	(107)		(5)			(112)
TOTAL	**1,628**	**-**	**(128)**	**14**	**23**	**1,537**
DEFERRED TAX LIABILITIES						
Accelerated depreciation	(12)		(10)			(22)
Intangible assets	(8)		1			(7)
Property, plant and equipment	(343)		49			(294)
Other temporary differences	(107)		(8)	(3)	-	(118)
DTA/DTL offset	107		5			112
TOTAL	**(363)**	**-**	**37**	**(3)**	**-**	**(329)**
NET	**1,264**	**-**	**(91)**	**11**	**23**	**1,208**

At 31 December 2018, 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	58	17
Tax loss carryforwards in 2022 and beyond	359	75
Losses carried forward indefinitely	6,795	1,855
TOTAL	**7,212**	**1,947**

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, as described in Note 3:

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

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.

Goodwill per CGU breaks down as follows:

(in euro thousands)	2018	2017
Net value - opening	**14,729**	**14,974**
Acquisitions [1]	1,439	
Disposals	(12)	
Foreign exchange difference	152	(245)
Other	13	
Net value - closing	**16,322**	**14,729**
o/w impairment	**-**	**-**
CGU 1 - Forwarding & Logistics	***15,886***	***14,621***
CGU 2 - IT Services	***436***	***108***

(1) Corresponds to goodwill of entities FAVAT and COSMOS for €1,111,000 and €328,000, respectively.

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 necessary technical feasibility to complete the software for use or sale,
- 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 10 years
Research & development costs	2 years

They are reviewed at each year-end.

Changes in intangible assets are presented in the following tables:

(in euro thousands)	At 1 January 2018	Change in consolidation scope[1]	Increases	Reductions	Reclassification	Foreign exchange difference	At 31 December 2018
GROSS VALUE	**16,091**	**2,142**	**1,862**	**(1,989)**	**-**	**30**	**18,136**
Software developed in-house	9,046		30	(984)	(2,051)		6,042
Other software	6,015	(2)	1,714	(961)	2,051	(0)	8,817
R&D costs and other assets	1,030	2,144	117	(44)		30	3,277
AMORTISATION	**(11,237)**	**(1,902)**	**(1,296)**	**1,987**	**-**	**(20)**	**(12,468)**
Software developed in-house	(5,700)		(452)	984			(5,168)
Other software	(4,821)		(662)	959		0	(4,524)
R&D costs and other assets	(716)	(1,902)	(182)	44		(20)	(2,776)
NET VALUE	**4,854**	**240**	**566**	**(2)**	**-**	**10**	**5,668**

(1) Gross value, amortisation and net value.

78% of the change recorded under "Other software" 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 (including tractors, trucks)	4 to 7 years
Office and IT equipment	3 to 5 years

Useful life is reviewed at each year-end.

Changes in PP&E break down as follows:

(in euro thousands)	At 1 January 2018	Change in consolidation scope[1]	Increases	Reductions	Reclassification	Foreign exchange difference	At 31 December 2018
GROSS VALUE	**14,266**	**3**	**1,930**	**(1,276)**	**-**	**147**	**15,072**
Buildings	4,146					89	4,235
Fixtures/fittings	3,362	27	1,236	(432)		11	4,203
Other PP&E	6,758	(24)	695	(844)		48	6,634
DEPRECIATION	**(9,172)**	**(19)**	**(1,297)**	**1,225**	**-**	**(66)**	**(9,329)**
Buildings	(1,545)		(196)			(18)	(1,760)
Fixtures/fittings	(2,059)	(24)	(446)	388		(7)	(2,148)
Other PP&E	(5,568)	5	(654)	837		(41)	(5,421)
NET VALUE	**5,095**	**(16)**	**634**	**(51)**	**-**	**81**	**5,743**

(1) Gross value, depreciation and net value.

The change in "Fixtures/fittings" mainly relates to property renovation works completed in France, in line with the Group's communication policy.

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 gets back to being 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 highest 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 undetermined useful life are not amortised but are subject to annual impairment testing at each year-end 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:
- CGU 1 : Air and sea freight forwarding and related services ("Overseas Freight"),
- CGU 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 both determination of cash flows arising from the continued use of the asset or from its withdrawal and 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 2018, the assumptions used to determine the discount rate for each CGU were as follows:

• a risk-free rate of 0.75%, which is the 2018 monthly average of the 10-Year Treasury Constant Maturity rate,

• a market risk premium of 6.62% (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 1.1 for the Overseas Freight CGU and 1.2 for the IT Services CGU,

• a financial cost rate of 1.5% for the Overseas Freight CGU and 0.6% for the IT services CGU.

WACC thus amounted to 6.8% for Overseas Freight and 8.9% 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

Financial assets and liabilities

The classification and measurement of financial assets depends not only on the contractual aspects of the financial instruments, but also on the asset management model defined by the Group. Upon initial recognition, under IFRS 9 financial assets are assessed and classified in accordance with three categories: those measured at amortised cost, those measured at fair value through equity, and those measured at fair value through profit or loss.

Financial assets held by the Group include non-consolidated equity investments, loans and receivables at amortised cost, including trade receivables, as well as derivatives.

Financial liabilities include loans and borrowings, derivatives, trade payables and bank overdrafts.

The classification of financial assets and liabilities between current and non-current is determined according to their maturity at the balance sheet date, which is either less than one year or more than one year.

Classification and measurement of financial assets and liabilities

Financial assets measured at amortised cost

Financial assets measured at amortised cost mainly relate to loans and receivables. The business model, which enables them to be classified under this category, consists in holding the assets in order to collect contractual cash flows, and for their contractual terms to give rise to cash flows that are solely payments of principal and interest ("SPPI" criterion).

Financial assets measured at fair value through equity

This asset category relates to debt instruments and equity instruments.

Debt instruments are measured at FVTOCI (fair value through other comprehensive income) if the contractual cash flows consist solely of payments relating to principal and interest reflecting the time value of money and the credit risk specific to the instrument ("SPPI" criterion under IFRS 9). During the instrument's life, interest income, foreign exchange gains and losses and asset impairment losses are recognised in the income statement. Other fair value changes are recorded under OCI. When these assets are sold, the accumulated changes in fair value are transferred to the income statement. The Group does not have any instruments of this kind.

Certain equity investments relating to non-consolidated companies and not held for trading may be measured at FVTOCI. On an investment by investment basis, the Group makes the irrevocable choice to classify them under this category. Accumulated changes in fair value are recognised under OCI and are transferred to the income statement in the event of disposal. Only dividends received are recognised on the income statement under "Other financial income", unless they represent a recovery of a portion of the investment cost. The Group does not hold any material assets in this category.

Upon initial recognition, these financial assets are recorded at fair value, plus any transaction costs directly attributable to their purchase.

Financial assets measured at fair value through profit or loss

This category includes all assets not classified as being measured at amortised cost or at fair value through equity.

It includes:

- non-consolidated equity investments for which the Group has not chosen to irrevocably classify at fair value through equity,
- debt securities not falling within the SPPI management model,
- assets acquired with the intention of reselling them in the short term,
- derivatives that do not qualify as hedging instruments.

At the transaction date, these assets were recorded at fair value. In most cases, this amount will equal the amount paid. Direct attributable transaction costs incurred in an acquisition are recorded on the income statement.

At each balance sheet date, changes in fair value are recognised under "Other financial income and expenses".

Borrowings and other financial liabilities

Borrowings and other financial liabilities are measured at fair value of the financial consideration received, and are then recognised at amortised cost. The consideration received is the net amount received: purchase amount or issuance of the liability less any directly attributable transaction costs, issue premiums and redemption premiums. These costs are then amortised over the life of the liability under the effective interest method. The interest expense thus calculated is recorded on the income statement under "Net cost of debt".

Trade payables are retained under "Trade payables" as long as they are not substantially modified in terms of their maturity dates, consideration and face value.

Some financial liabilities are measured at fair value. For the Group, these mainly include derivatives, for which changes in fair value are recognised on the income statement. The Group does not have liabilities held for trading that are held intentionally for short-term resale.

Impairment of financial assets

IFRS 9 introduced an impairment model based on expected credit losses (ECL).

This impairment model relates to financial assets measured at amortised cost, assets on contracts and debt instruments measured at FVTOCI.

The Group's main financial assets affected by this are loans and receivables. The Group has adopted an approach that enables it to estimate the expected credit risk from initial recognition of the receivable.

This method uses a matrix combining the probability of counterparty default, as well as the change in credit risk related to each counterparty, with regard to the credit insurance policy implemented by the Group.

Derecognition of financial assets and liabilities

The Group derecognises a financial assets when:

- the contractual rights to the cash flow generated by the asset expire, or
- the rights to receive the contractual cash flow relating to such asset have been transferred to a third party, and the transfer meets certain terms and conditions:

i) if substantially all of the risks and benefits attached to ownership of this assets are transferred, the asset is derecognised in full,

ii) if the Group retains substantially all off the risks and benefits, the asset remains recognised in full.

The Group derecognises a financial liability when its contractual obligations are extinguished, cancelled or expired. When a debt restructuring arrangement is set up with a lender and the terms are substantially different, the Group recognises a new liability.

Derivative financial instruments

The Group makes use of derivative financial instruments in order to manage and limit its exposure to currency and interest rate risks. All derivatives are recorded on the balance sheet at fair value from the date of purchase, and at each balance sheet date for as long as the instrument is active.

Changes in fair value, gains or losses depend on whether the derivative is classified as a hedging instrument or not, but also on the type of item covered.

For derivatives not classified as hedging instruments, changes in fair value are recognised under net financial income or expense for the period to which they relate.

Derivatives classified as hedges

There are three types of hedges:

- fair value hedges:

This is a hedge relating to the fair value of an asset or liability recognised on the balance sheet, or a firm commitment to purchase or sell an asset. Changes in the fair value of derivatives are recognised through profit or loss, together with changes in the fair value of the hedged items, for the portion relating to the hedged risk. If the hedge is completely effective, the two effects offset each other perfectly.

- cash flow hedges:

This category includes highly-probable future transactions, or exposure to the variability of cash flows related to an asset or liability. Variations in cash flows generated by the hedged item are offset by variations in the hedging instrument's value. The effective portion of changes in the fair value of derivatives is recorded under other reserves. The gain or loss relating to the ineffective portion is immediately recognised through profit or loss.

When a hedging instrument is sold or matures, or when a hedging instrument no longer meets the criteria to benefit from hedge accounting, the total amount under other reserves at this date is immediately recognised through profit or loss.

- hedging a net investment in foreign operations:

Changes in fair value are recognised under other comprehensive income, net of tax, for the effective portion and under net financial income for the ineffective portion. On the date the net investment is sold or at the time of its liquidation, the cumulative gains or losses under other comprehensive income are posted to income.

Under IFRS 9, hedge accounting applies if:

- the hedging relationship only includes hedging instruments and eligible hedged items,
- the hedging relationship is clearly established and if it is the subject of formal documentation as of its implementation,
- the effectiveness of the hedge in place is shown from the outset, and if it meets the hedge effectiveness requirements and, in particular, the hedge ratio.

Derivatives not classified as hedges

Changes in the fair value of a derivative financial instrument that has not been (or is no longer) classified as a hedge are directly recognised through profit or loss for the period, under "Other financial income and expenses".

8.1 Net debt

8.1.1 Breakdown

(in euro thousands)	2018	2017
Bank borrowings	21,048	19,987
Bank overdrafts	17,922	12,490
Other financial liabilities	30	147
Financial liabilities	**39,001**	**32,624**
Cash and cash equivalents	(23,175)	(20,223)
Net debt	**15,826**	**12,401**

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8.1.2 Cash and cash equivalents

Cash and cash equivalents include liquidities and short-term investments.

Under IAS 7, investments must fulfil four conditions to be considered cash equivalents:

- short-term investment,
- highly liquid investment,
- investment readily convertible to a known amount of cash,
- subject to an insignificant risk of changes in value.

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)	2018	2017
Cash equivalents	212	212
Cash	22,963	20,011
TOTAL	**23,175**	**20,223**

8.1.3 Financial liabilities

8.1.3.1 Breakdown

(in euro thousands)	2018	Nominal amount	Rate type	Issuance date	Maturity
Bank borrowings	8,950	17,997	Fixed	2014 to 2018	2018 to 2025
	12,095	17,358	Variable	2018	2022 to 2029
Other financial liabilities	30				
Bank overdrafts	17,922				
Accrued interest	4				
TOTAL	**39,001**	**35,354**			

(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**			

8.1.3.2 Variation

(in euro thousands)	2018	2017
Financial liabilities at opening	**32,624**	**30,504**
New loans	6,744	3,658
Loan repayments	(5,529)	(5,355)
Bank overdrafts	5,439	4,079
Other financial liabilities	(119)	(89)
Change in consolidation scope	(159)	-
Foreign exchange difference	(0)	(173)
Financial liabilities at closing	**39,001**	**32,624**

8.1.4 Net borrowings by currency

	2018		2017	
(in euro thousands)	Value	%	Value	%
EUR	37,289	*96%*	30,976	*95%*
HKD	569	*1%*	610	*2%*
JPY	292	*1%*	222	*1%*
USD	816	*2%*	815	*2%*
Other currencies	35	-	-	-
TOTAL	**39,001**	***100%***	**32,624**	***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 consist of:

- the result of interest rate hedging transactions,
- the results of transactions that do not qualify as hedging within the meaning of IFRS 9 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 closing, 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 cost of debt

(in euro thousands)	2018	2017
Interest expenses on borrowings	(265)	(287)
Income from cash and cash equivalents	55	78
Net cost of debt	**(210)**	**(209)**

8.2.2 Other financial income and expenses

(in euro thousands)	2018	2017
Foreign exchange gains	926	891
Other financial income	16	1
Write-back of impairment of financial assets	9	39
Other financial income	**952**	**931**
Provisions for financial risk	(10)	(8)
Foreign exchange losses	(1,057)	(1,411)
Other financial expenses	(3)	(14)
Other financial expenses	**(1,069)**	**(1,432)**
Other financial income and expenses	**(117)**	**(501)**

8.3 Classification of financial assets and liabilities according to IFRS 9 and fair value

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

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	Carrying value at 31 December 2018 under IFRS 9 – Amortised cost	Fair value through equity	Fair value through profit or loss
ASSETS				
Non-current financial assets:				
• Financial assets available for sale				
• Loans	34	34		
• Deposits and guarantees	899	899		
Trade receivables	79,883	79,883		
Other current financial assets:				
• Derivatives - fair value hedge (assets)	1			1
Cash and cash equivalents	23,175			23,175
LIABILITIES				
Non-current financial liabilities:				
• Cash flow hedge derivatives	113		113	
Bank borrowings	21,048	21,048		
Other financial liabilities	30	30		
Liabilities relating to put options granted to non-controlling shareholders	3,002		3,002	
Trade payables	61,628	61,628		
Other current financial liabilities:				
• Derivatives - fair value hedge (liabilities)	4			4
Bank overdrafts	17,922			17,922

(in euro thousands)	Carrying value	Carrying value at 31 December 2017 under IFRS 9 – Amortised cost	Fair value through equity	Fair value through profit or loss
ASSETS				
Non-current financial assets:				
• Financial assets available for sale	150	150		
• 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:				
• Derivative liabilities with hedge accounting	-		-	
Bank borrowings	19,987	19,987		
Other long-term borrowings	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

8.3.2 Fair value of financial assets and liabilities

(in euro thousands)	2018 Carrying value	2018 Fair value	2018 Level	2017 Carrying value	2017 Fair value	2017 Level
ASSETS						
Other current financial assets:						
• Derivatives - fair value hedge (assets)	1	1	2			
Cash and cash equivalents	23,175	23,175	1	20,223	20,223	1
LIABILITIES						
Non-current financial liabilities:						
• Cash flow hedge derivatives	113	113	2	145	145	2
Bank borrowings	21,048	21,048	2	19,987	19,987	2
Liabilities relating to put options granted to non-controlling shareholders	3,002	3,002	3	3,405	3,405	3
Other current financial liabilities:						
• Derivatives - fair value hedge (liabilities)	4	4	2	17	17	2
Bank overdrafts	17,922	17,922	1	12,490	12,490	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

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

(in euro thousands)	2018 Assets	2018 Liabilities	2017 Assets	2017 Liabilities
Interest rate derivatives		**(113)**		**(145)**
Cash flow hedges		(113)		(145)
Exchange rate derivatives	**1**	**(4)**		**(17)**
Fair value hedge	1	(4)		(17)
TOTAL DERIVATIVES	**1**	**(117)**		**(162)**
• *non-current*		*(113)*		*(145)*
• *current*		*(4)*		*(17)*

8.4.2 Management of 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:

	2018			2017		
(in euro thousands)	Notional amount	Fair value	Maturity	Notional amount	Fair value	Maturity
Purchase/(Sale) EURO against foreign currencies						
HKD/EUR	(1,450)	(1)	< 1 year	(1,100)	(11)	< 1 year
CNY/EUR	(1,450)	1	< 1 year	(1,600)	(5)	< 1 year
EUR/JPY	180	(3)	< 1 year	240	-	< 1 year
TOTAL	**(2,720)**	**(3)**		**(2,460)**	**(17)**	

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

	2018				2017
(in euro thousands)	Total	USD	EURO	Other	Total
Exposed trade receivables	14,720	7,448	6,637	635	13,227
Other exposed financial assets	3,111	1,336	1,763	12	2,633
Exposed trade payables	(7,367)	(1,782)	(4,487)	(1,097)	(6,024)
Exposed borrowings	(816)	(816)	-	-	(732)
Gross balance sheet exposure	**9,648**	**6,185**	**3,913**	**(450)**	**9,104**
Forward sales	(2,900)		(2,900)		(2,700)
Forward purchases	180		180		240
Net exposure	**6,928**	**6,185**	**1,193**	**(450)**	**6,644**

Sensitivity analysis

A 10% appreciation of the euro at 31 December 2018 and 2017 against currencies to which the Group is exposed would have the following impact on pre-tax income:

(in euro thousands)	2018	2017
Exposure to the US dollar	618	471
Exposure to the euro	119	188
Other currencies	(45)	5
TOTAL	**693**	**664**

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 to 5 years	> 5 years	Total assets	Total liabilities
2018	**6,571**	**-**	**6,571**	**-**	**-**	**(113)**
2017	8,214	-	8,214	-	-	(145)

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

	2018		2017	
(in euro thousands)	Exposure	% total debt	Exposure	% total debt
Fixed rate	8,980	23%	11,406	35%
Bank borrowings	*8,950*		*11,259*	
Other financial liabilities	*30*		*147*	
Variable rate	30,017	77%	21,213	65%
Bank borrowings	*12,095*		*8,722*	
Bank overdrafts	*17,922*		*12,490*	
Financial liabilities before hedging	**38,997**	**100%**	**32,619**	**100%**
Fixed rate	15,552	44%	19,620	60%
Bank borrowings	*15,521*		*19,473*	
Other financial liabilities	*30*		*147*	
Variable rate	23,445	56%	12,998	40%
Bank borrowings	*5,523*		*508*	
Bank overdrafts	*17,922*		*12,490*	
Financial liabilities after hedging	**38,997**	**100%**	**32,619**	**100%**

Analysis of sensitivity to interest rate risks

At 31 December 2018, 77% of current and non-current borrowings are at variable rates (65% at 31 December 2017).

A variation of +/- 1% in the interest rates applied to financial assets and liabilities at variable rates would therefore have an impact of +/- 0.1% on the net cost of debt for 2018, i.e. 0.2 thousand euros, compared to +/- 3.4% or 7 thousand euros in 2017..

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 is exposed to credit risk.

The Group has a diversified client portfolio where no single client accounts for more than 3% of the Group's consolidated gross profit for the 2018 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 retention 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 are 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 2018 and 31 December 2017, at their nominal amount, including interest and without taking discounting into account.

(in euro thousands)	Book value at 31 December 2018	< 1 year	1 to 5 years	Over 5 years
Bank borrowings	21,048	6,902	13,873	273
Other non-current liabilities	30			30
Trade payables and other current liabilities	61,628	61,628		
Bank overdrafts	17,922	17,922		
Non-derivative financial liabilities	**100,628**	**86,452**	**13,873**	**303**

(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**

CLASQUIN
CDG

NOTE 9 SHAREHOLDERS' EQUITY AND EARNINGS PER SHARE

9.1 Breakdown of share capital

At 31 December 2018, 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 2017.

Share premium 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 (5,345 shares held at 31 December 2018).

This liquidity contract was entered into on 15 September 2009 with service provider ODDO & Cie, and was replaced by a new contract signed on 18 March 2019 in accordance with the applicable legal framework.

In this respect, in 2018 CLASQUIN SA acquired 20,682 shares with a total value of €750,000 and a weighted average unit value of €36.73.

Over the same period, CLASQUIN SA sold 18,792 shares at a total sale value of €692,000, representing a weighted average unit value of €36.47.

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

9.3 Dividends

During 2018, CLASQUIN SA paid its Shareholders a dividend of €1,845,000 (€0.80 per share) unchanged from 2017, less €1,000 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)	2018	2017
Consolidated net profit - Group share (in euro thousands)	**2,803**	**2,489**
Weighted average ordinary shares outstanding, adjusted for dilutive shares	2,301,056	2,302,946
Net earnings per share (€)	**1.22**	**1.08**
Weighted average ordinary shares outstanding	2,306,401	2,306,401
Treasury shares held at year-end	(5,345)	(3,455)
Dilutive instruments (convertible shares)	-	-
Weighted average ordinary shares, adjusted for dilutive shares	**2,301,056**	**2,302,946**
Net diluted earnings per share (€)	**1.22**	**1.08**

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 2018	Change in actuarial gains/losses	Change in consolidation scope	Charges	Reversals		Foreign exchange difference	Amounts at 31 December 2018
					Used	Unused		
Commercial disputes	23		(24)	20			1	19
Other provisions	50		11	20	(26)	(33)	1	22
Staff risks	8					(8)		-
TOTAL PROVISIONS	**81**	**-**	**(14)**	**40**	**(26)**	**(40)**	**2**	**42**
• *non-current*	*43*							*42*
• *current*	*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	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Trade receivables	**18**	**34**	**5**	**10**			**7**	**7**	**5**	**16**
Trade payables	**-**	**124**	**-**	**6**				**118**		
Management fees	132	132			132	132				
Other external expenses	589	596	195	191			167	185	227	220
Operating expenses	**718**	**708**	**195**	**191**	**132**	**132**	**165**	**165**	**227**	**220**
Operating income	**36**	**36**	**4**	**4**	**24**	**20**	**4**	**6**	**4**	**6**

Services rendered in 2018 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 2018 and 2017 break down as follows:

(in euro thousands)	2018	2017
Depreciation and amortisation	2,399	2,339
Provisions and write-backs	(7)	(60)
Unrealised gains/(losses) on changes in fair value	(5)	35
Capital gains/(losses) on disposals	162	178
TOTAL	**2,549**	**2,492**

12.2 Change in working capital

Changes in the main working capital items in 2018 and 2017 were as follows:

(in euro thousands)	2018	2017
Trade receivables	(6,674)	(10,449)
Trade payables	9,586	7,255
Other receivables and debt	(4,516)	472
TOTAL	**(1,603)**	**(2,722)**

12.3 Impact of changes in the consolidation scope with acquisition/loss of control

The impact of changes in the consolidation scope with acquisition/loss of control is as follows:

(in euro thousands)	2018	2017
Amount paid for acquisitions	(2,291)	(5)
Cash/(bank overdrafts) from acquisitions	671	3
Amount received for loss of control	60	-
(Cash)/bank overdrafts from loss of control	(297)	-
IMPACT OF CHANGES IN CONSOLIDATION SCOPE WITH CHANGE OF CONTROL	**(1,856)**	**(2)**

Road
Brokerage

NOTE 13 INCOME STATEMENT BALANCE

(in euro thousands)	2018	%	2017	%	Change in %
SALES	**308,341**		**290,587**		**6.1%**
COST OF SALES	(239,455)		(227,696)		5.2%
GROSS PROFIT	**68,886**	**100.0%**	**62,891**	**100.0%**	**9.5%**
Premises and related expenses	(6,383)	-9.3%	(5,372)	-8.5%	18.8%
Communication expenses	(2,091)	-3.0%	(2,048)	-3.3%	2.1%
Marketing	(1,147)	-1.7%	(1,014)	-1.6%	13.1%
Travel expenses	(2,854)	-4.1%	(2,713)	-4.3%	5.2%
Fees	(1,958)	-2.8%	(1,755)	-2.8%	11.6%
Insurance	(1,051)	-1.5%	(913)	-1.5%	15.1%
Sundry	(773)	-1.1%	(603)	-1.0%	28.1%
TOTAL EXTERNAL EXPENSES	**(16,258)**	**-23.6%**	**(14,419)**	**-22.9%**	**12.8%**
ADDED VALUE	**52,628**	**76.4%**	**48,472**	**77.1%**	**8.6%**
Staff expenses	(43,369)	-63.0%	(41,104)	-65.4%	5.5%
EBITDA	**9,259**	**13.4%**	**7,368**	**11.7%**	**25.7%**
Net depreciation and amortisation charges	(2,836)	-4.1%	(1,903)	-3.0%	49.1%
Other current income	445	0.6%	1,268	2.0%	-64.9%
Other current expenses	(366)	-0.5%	(857)	-1.4%	-57.3%
CURRENT OPERATING INCOME	**6,502**	**9.4%**	**5,875**	**9.3%**	**10.7%**
Other operating income	663	1.0%	125	0.2%	430.9%
Other operating expenses	(1,385)	-2.0%	(561)	-0.9%	147.0%
NET OPERATING INCOME AND EXPENSES	**(722)**	**-1.0%**	**(436)**	**-0.7%**	**-65.6%**
OPERATING INCOME	**5,780**	**8.4%**	**5,440**	**8.6%**	**6.3%**
Financial income	1,007	1.5%	1,009	1.6%	-0.2%
Financial expenses	(1,334)	-1.9%	(1,718)	-2.7%	-22.3%
NET FINANCIAL INCOME/EXPENSE	**(328)**	**-0.5%**	**(709)**	**-1.1%**	**53.8%**
Income from equity affiliates	**54**	**0.1%**	**95**	**0.1%**	**-43.4%**
PROFIT BEFORE TAX	**5,506**	**8.0%**	**4,825**	**7.7%**	**14.1%**
Income tax	(2,115)	-3.1%	(1,927)	-3.1%	9.8%
PROFIT FROM CONTINUING OPERATIONS	**3,391**	**4.9%**	**2,898**	**4.6%**	**17.0%**
PROFIT FROM DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**
GROUP CONSOLIDATED NET PROFIT	**3,391**	**4.9%**	**2,898**	**4.6%**	**17.0%**
Minority interests	588	0.9%	409	0.6%	43.9%
NET PROFIT GROUP SHARE	**2,803**	**4.1%**	**2,489**	**4.0%**	**12.6%**
OPERATIONAL CASH FLOW	**8,261**	**12.0%**	**7,460**	**11.9%**	**15.6%**

NOTE 14 CONSOLIDATED COMPANIES

NAME OF COMPANY	Registered office	Consolidation method	% equity interest 2018	% equity interest 2017
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 FAIRS & EVENTS	Lyon	Full consolidation	70%	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	Porto	Full consolidation	90%	90%
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	100%	80%
CLASQUIN VIETNAM Ltd.	Ho Chi Minh City	Full consolidation	99%	99%
EAST ASIA LOGISTICS COMPANY Ltd	Ho Chi Minh City	Full consolidation	49%	49%
EXPRESS CONSOLIDATION SYSTEMS Corp.	Rutherford (New Jersey)	-	-	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	Hong Kong	Full consolidation	69%	69%
COMPANY OWNED BY CLASQUIN USA INC.:				
SECURE CUSTOMS BROKERS Inc.	New York	Full consolidation	100%	80%
COMPANIES OWNED BY EXPRESS CONSOLIDATION SYSTEMS CORP.:				
EXPRESS CONSOLIDATION SYSTEMS BARBADOS Ltd.	Saint-Michael	-	-	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	-	-	39%
SCI LACHA	Villefranche	Full consolidation	50%	50%
COMPANIES OWNED BY LOGSYSTEM:				
COSMOS CONSULTANTS	Paris	Full consolidation	70%	-
LOG SYSTEM TUNISIA	Tunis	Full consolidation	69%	-

NOTE 15 STATUTORY AUDITORS' FEES

(in euro thousands)	SEGECO AUDIT		MAZARS		PAN-CHINA (H.K.)	
	2018	2017	2018	2017	2018	2017
AUDIT						
Statutory auditors: certification of the Company and consolidated financial statements	82	75	165	139	13	14
Services other than certification of the financial statements						
AUDIT TOTAL	82	75	165	139	13	14
OTHER SERVICES						
TOTAL OTHER SERVICES			**12**			
TOTAL FEES	**82**	**75**	**177**	**139**	**13**	**14**

NOTE 16 POST BALANCE SHEET EVENTS

Nil.

CLASQUIN
Beijing

C. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2018.

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 2018, 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 2018 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, the net book value of which amounted to €16,322 as at 31 December 2018, pursuant to the procedures set forth in Note 7.4 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.

Specific testing

In accordance with professional standards applicable in France, we also carried out specific testing, as required by applicable laws and regulations, 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 is consistent 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.

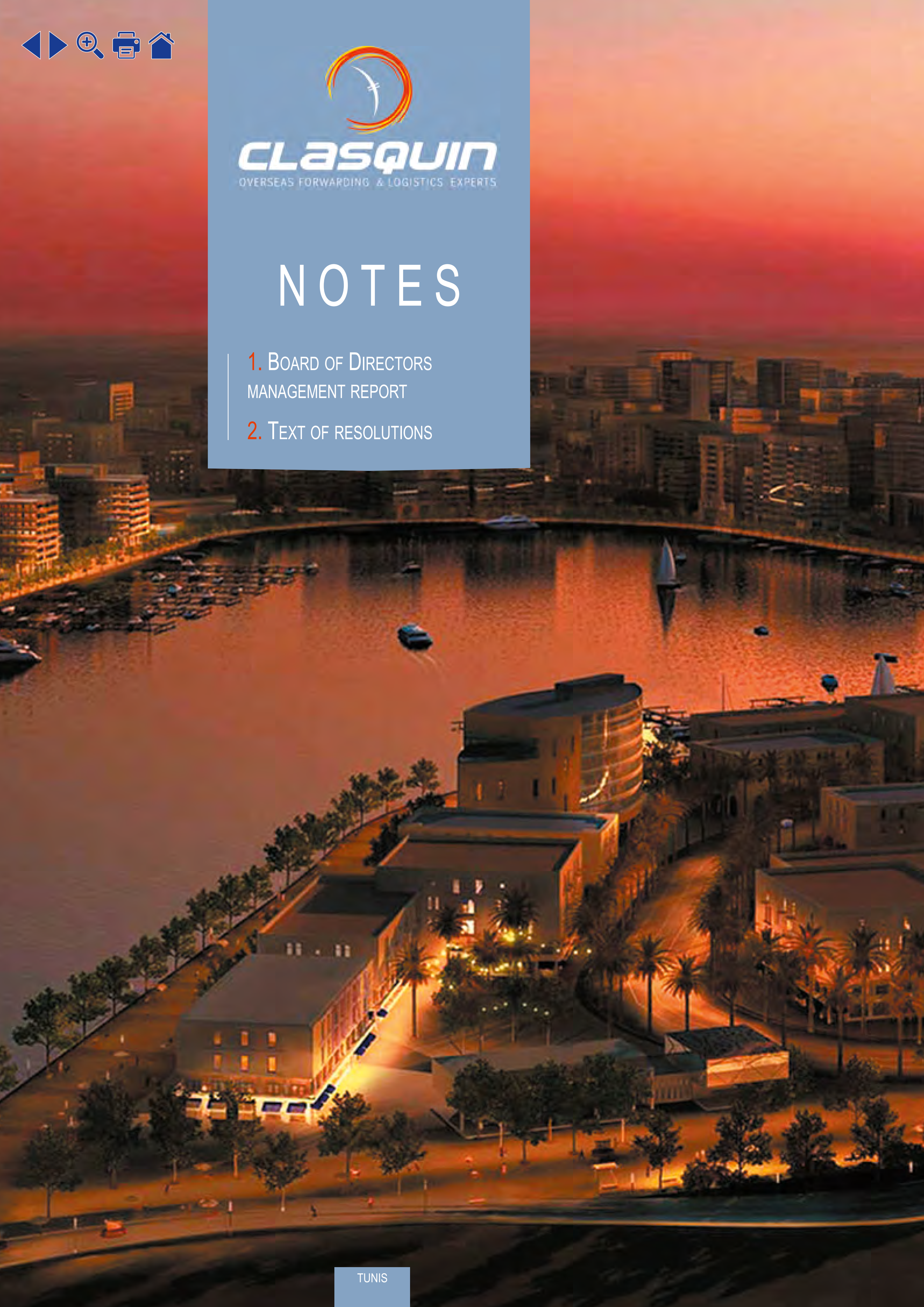
As set out in Article L. 823-10-1 of the French Commercial Code, our certification assignment of the financial statements does not involve providing a guarantee of the viability or quality of the management of your company.

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 significant uncertainty, they draw readers’ attention to the information provided in the Company 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 the opinion issued with regard to said financial statements.

Executed in Lyon and Villeurbanne on 19 April 2019.

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



CLASQUIN

OVERSEAS FORWARDING & LOGISTICS EXPERTS

NOTES

1. Board of Directors management report
2. Text of resolutions

TUNIS

Africa Team CLASQUIN Paris and Mali.

CLASQUIN Dakar.

AFRICA

We are actively continuing our business development projects throughout Africa. After setting up an Africa unit in Paris in 2017, we opened two sales offices in 2018: at Dakar and Bamako, in addition to the two existing subsidiaries in Tunisia and Burkina Faso. We now have a comprehensive offering from Europe to North Africa and all of French-speaking Sub-Saharan Africa, as well as from Asia and North America.

CLASQUIN Bobo Dioulasso.

TABLE OF CONTENTS

1. BOARD OF DIRECTORS' MANAGEMENT REPORT

on the financial statements for the year ended 31 December 2018

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 2018, 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 appoint Laurence ILHE and MA Fan as new Board members of the Company,
- 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,
- recommend that you authorise the Company to increase the share capital by issuing any type of security, with or without preferential subscription rights, as applicable, with authority granted to the Board of Directors in order to decide on said issues,
- recommend that you authorise the Company to increase its share capital without preferential subscription rights through private placement pursuant to the provisions of Article L. 225-136 of the French Commercial Code, with authority granted to the Board of Directors for the purpose of deciding said programmes,
- recommend that you authorise the Board of Directors to increase the number of securities to be issued as part of a capital increase if a surplus of subscription requests is received, pursuant to the provisions of Article L. 225-135-1 of the French Commercial Code,
- recommend that you authorise the Board of Directors to grant existing or new bonus shares,
- recommend that you adopt a resolution pursuant to the law on employee savings schemes,
- recommend that you amend Article 24 of the Company's articles of association.

CLASQUIN
Finance

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

1. CLASQUIN Group

2018 HIGHLIGHTS

2014-2018 large-scale IT overhaul nearing completion

- The deployment of the CargoWise One transport management software has been a great success thanks to the outstanding commitment shown by all project and operating teams.
- Preparation of next-generation finance software also underway (accounting, reporting, planning, consolidation) with installation scheduled from 2019.

Acquisitions and office openings

- Development of new niche markets and strategic segments:
  - Creation of a new subsidiary, CLASQUIN FAIRS & EVENTS, in France specialising in international transport and logistics in relation to trade fairs and similar events (January 2018). Profits expected as of H1 2018,
  - Acquisition of the entire share capital of SOCIÉTÉ FAVAT TRANSIT (SFT) based in Marseille, whose core business is customs and sea transport of oilseeds (July 2018). This company was absorbed by CLASQUIN SA on 31 December 2018 by universal transfer of assets. Sales: €2m / GP: €0.7m.
- Continued expansion of our network throughout our core regions (Western Europe, Asia, North America):
  - New locations opened in Q4 by LCI CLASQUIN (roll on/roll off) in Lille and Nantes to serve the fast-growing France-Morocco route,
  - Opening of two offices in the United States (Atlanta and Miami) in Q4.
- Extension of our network into new regions (Middle East, North Africa, sub-Saharan Africa):
  - Opening of two sales offices in Africa (Dakar and Bamako) in H2.
- Extension of our offering:
  - Creation of the CLASQUIN CONSULTING brand - operational consultancy in international supply chain and customs.
- Strengthening of the “solutions & consulting” offering from LOG System (Group IT services subsidiary):
  - Acquisition of COSMOS Consultants, an international trade, export documentation and customs management software publisher (January 2018),
  - Opening of a subsidiary in Tunisia specialising in Microsoft solutions, business process outsourcing (BPO) and development and the deployment of AEOLUS software in Africa.

Restructuring

- Disposal of ECS US on 31/10/18 to the historical minority shareholder.
- Suspension of operations at CLASQUIN AUSTRALIA due to poor financial performance.
- Return to break-even at CLASQUIN GERMANY since Q4 2018.

BUSINESS VOLUMES AND EARNINGS

Despite the slowdown in the air freight market towards the end of the year, international growth of volumes shipped by air or sea stabilised at around 3% for the full year.

Against this backdrop, the Group continued to considerably outperform the market in terms of growth in volumes shipped (sea freight up 11.8%, air freight up 9.5%), number of shipments (up 7.1%) and gross profit (up 9.5% at current scope and up 11.2% like-for-like).

This robust growth was driven by:
- the launch of new business lines (“Clasquin Fairs & Events”, “Road Brokerage”),
- acquisitions (COSMOS and FAVAT),
- strong business development with key accounts,
- acquisition of new clients thanks to the powerful sales system deployed by the Group.

EBITDA rose sharply (up 25.7%), driven by:
- strong growth in gross profit (up 9.5%),
- a limited increase in operating expenses (up 7.4%).

Current operating income rose 10.7%, reflecting:
- identical depreciation and amortisation charges in 2017 and 2018,
- an increase in provisions for risks (net of write-backs) and other operating expenses (net of income) versus 2017 (due to material write-backs and operating income in 2017).

Finally, net profit Group share rose 12.6%, in particular due to:
- an improvement of just under €0.4 million in the financial result, offset by the costs of the ECS disposal,
- an overall tax rate consistent over the two years.

FINANCIAL POSITION

	2018	2017
Shareholders' equity (€m)	24.5	22.9
Net debt (€m)	18.9	15.8
Gearing	**77.4%**	**69.1%**

	2018	2017
Leverage (EBITDA/net debt)	**2.0**	**2.1**

	2018	2017
Gross operating cash flow (€m)	8.3	7.5
% of gross profit	12.0%	11.9%

2. CLASQUIN SA and its subsidiaries

Sales for CLASQUIN SA, the Group's parent company and also the Company combining all the operations in France, increased by 6.4% to €167 million from €158 million in 2017.

(in euro thousands)	2018 sales	2018 gross profit	2018 v 2017 change in gross profit	2018 current operating income	2017 current operating income
ART SHIPPING INTERNATIONAL	1,697	831	*31.2%*	204	190
CLASQUIN AUSTRALIA	3,241	666	*5.8%*	30	46
CLASQUIN BURKINA FASO	223	19	*-65.7%*	(11)	26
CLASQUIN CANADA	3,855	551	*-8.8%*	61	85
CLASQUIN CHILE	7,612	1,152	*33.3%*	30	(153)
CLASQUIN FAIRS & EVENTS	2,624	1,177	*100.0%*	195	(18)
CLASQUIN FAR EAST	27,048	4,889	*5.8%*	1,166	1,142
CLASQUIN GERMANY	5,375	887	*-24.1%*	40	214
CLASQUIN INDIA	5,435	683	*-1.8%*	180	198
CLASQUIN INTERCARGO SPAIN	27,165	4,213	*4.0%*	1,065	1,032
CLASQUIN ITALY	4,602	1,116	*1.4%*	84	139
CLASQUIN JAPAN	11,577	2,429	*2.6%*	387	253
CLASQUIN KOREA	3,790	861	*-13.3%*	(21)	59
CLASQUIN MALAYSIA	1,689	367	*4.4%*	23	44
CLASQUIN PORTUGAL	2,072	322	*105.3%*	(64)	(267)
CLASQUIN SINGAPORE	2,464	520	*10.7%*	4	57
CLASQUIN SILK ROAD	0	0	*0.0%*	(3)	(2)
CLASQUIN THAILAND	4,755	675	*17.6%*	163	33
CLASQUIN USA	13,795	2,806	*16.4%*	292	296
CLASQUIN VIETNAM	2,868	609	*3.9%*	90	100
EAST ASIA LOGISTICS Ltd	131	53	*54.6%*	(5)	(13)
ECS US	12,882	2,250	*-22.9%*	(94)	72
FINANCIÈRE LCI	0	0	*0.0%*	(1)	(3)
LOG SYSTEM	2,774	2,427	*-8.3%*	165	175
TOTAL	**147,673**	**29,502**	***-5.3%***	**3,981**	**3,706**

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 2018 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.

- COSMOS CONSULTANTS joined the consolidation scope.
- LOG SYSTEM TUNISIA also joined the consolidation scope.
- FAVAT TRANSIT, acquired on 5 July 2018, was wound up without liquidation in favour of CLASQUIN SA effective 29 December 2018.
- EXPRESS CONSOLIDATION SYSTEMS Corp. was deconsolidated effective 30 October 2018.
- ECS BARBADOS was wound up in January 2018.
- MED-TIR was wound up on 28 December 2017 and the closure of the liquidation proceedings was announced on 3 April 2018.

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

1.1.2 Consolidated results for the year ended 31 December 2018

(in euro thousands)	IFRS accounting standards		
	At 31 December 2018	**31 December 2017**	**Change**
Net sales	308,341	290,587	*6.1%*
Cost of sales	(239,455)	(227,696)	*5.2%*
Gross profit	68,886	62,891	*9.5%*
Current operating income	6,502	5,875	*10.7%*
Income before tax	5,506	4,825	*14.1%*
PROFIT FROM CONTINUING OPERATIONS	**3,391**	**2,898**	***17.0%***
PROFIT FROM DISCONTINUED OPERATIONS	**0**	**0**	***0***
GROUP CONSOLIDATED NET PROFIT	**3,391**	**2,898**	***17.0%***
NET PROFIT GROUP SHARE	**2,803**	**2,489**	***12.6%***

Net profit Group share for 2018 amounted to €2,803k, up 12.6% from €2,489k the previous year. Accordingly, at 31 December 2018 shareholder's equity Group share amounted to €21,431k, with minority interests of €3,038k and share capital of €4,613k.

Net sales for the year amounted to €308,341k, up 6.1% from €290,587k in 2017.

2018 gross profit was €68,886k, up 9.5% from €62,891k the previous year.

Current operating income came in at €6,502k, up 10.7% from €5,875k in 2017. Net non-recurring expenses amounted to €722k compared to €436k in 2017.

Consolidated net profit came to €3,391k, including €2,803k net profit Group share.

1.2 Company financial statements

The financial statements for CLASQUIN SA for the year ended 31 December 2018 showed a net loss of €158,641, the main components of which are as follows:

(in euros)	At 31 December 2018	31 December 2017	Change
Net sales	167,489,109	157,650,851	*6.24%*
Operating income	168,737,012	159,580,220	*5.74%*
Operating expenses	168,963,356	159,143,444	*6.17%*
EBIT	(226,343)	436,776	*-151.82%*
Financial income	3,402,556	2,639,334	*28.92%*
Financial expenses	368,314	465,339	*-20.85%*
Net financial income/(expense)	3,034,242	2,173,995	*39.57%*
Pre-tax operating earnings	2,807,899	2,610,770	*7.55%*
Non-recurring income	442,988	23,114	*1816.54%*
Non-recurring expenses	2,201,673	339,239	*549.00%*
Net non-recurring expenses	(1,758,685)	(316,125)	*456.33%*
Employee incentive and profit-sharing scheme	1,209,055	1,573,009	*-23.14%*
Income tax	(1,200)	(137,928)	*-99.13%*
NET EARNINGS PER SHARE	**(158,641)**	**859,564**	***-118.46%***

2018 net sales amounted to €167,489,109 vs €157,650,851 for the previous year.

Total operating income came to €168,737,012 while operating charges totalled €168,963,356, entailing an EBIT loss of €226,343 compared to positive EBIT of €436,776 for the previous year.

Total financial income amounted to €3,402,556 while financial expenses totalled €368,314, resulting in net financial income of €3,034,242 compared to €2,173,995 in 2017.

Pre-tax operating earnings thus came to €2,807,899 compared to €2,610,770 the previous year.

Total non-recurring income amounted to €442,988 while non-recurring expenses totalled €2,201,673, resulting in net non-recurring expenses of €1,758,685 compared to €316,125 the previous year.

As a result, the Company posted a net loss of €158,641 for 2018 compared to a net profit of €859,564 the previous year.

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

1.3 Application of IFRS

We encourage you to refer to 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 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

The CLASQUIN Group is an international business comprising 34 companies at 31 December 2018, 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 virtually 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. Accordingly, a given entity's exposure to currency risk essentially amounts to the risk applicable to an offset balance of receivables and payables with all 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.

A new contract was signed with ODDO on 18 March 2019 in accordance with applicable statutory provisions.

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 payments outstanding

Breakdown of outstanding trade payables and receivables as at 31 December 2018 by period overdue (in euros).

Unpaid overdue invoices issued as at 31 December 2018

(in euros)	1-30 days	31-60 days	61-90 days	over 90 days	Total amount due
Number of invoices					8,025
Balance (incl. VAT) overdue as at 31/12/2018 - in €	12,061,221	3,243,104	1,340,067	3,637,025	20,281,417
% of total sales including VAT	7%	2%	1%	2%	12%

Unpaid overdue invoices received as at 31 December 2018

(in euros)	1-30 days	31-60 days	61-90 days	over 90 days	Total amount due
Number of invoices					9,761
Balance (incl. VAT) overdue as at 31/12/2018 - in €	8,046,033	764,991	363,992	275,068	9,450,085
% of total purchases excluding VAT	5%	1%	0%	0%	6%

Invoices excluded relating to disputed trade receivables at 31 December 2018

Number of invoices	167
Total amount	733,531

D. Research and development

The CLASQUIN Group invested €1,697k in R&D in 2018, i.e. 8.15% of CLASQUIN SA's gross profit.

R&D expenditure included upgrading 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 software publisher WISETECH, the global sector leader, on 28 July 2016. Additional expenditure was incurred in 2018 to install the Workday finance package.

E. Declaration of non-financial performance

Declaration of non-financial performance – CLASQUIN Group – FY 2018

Foreword:

The CLASQUIN Group falls within the scope of Article L. 225-102-1 I (2) of the French Commercial Code applicable to companies posting a balance sheet total of over €100 million, net sales of over €100 million and an average headcount of over 500 permanent employees during the year. It is therefore required, for the first time, to prepare a declaration of non-financial performance for inclusion in its management report. This declaration covers all companies included in CLASQUIN's consolidated financial statements.

The information set out in this chapter meets the requirements of Article R. 225-105 of the French Commercial Code in accordance with the new regulatory obligations laid down by French ordinance no. 2017-1180 of 17 July 2018 implementing European Directive no. 2014/95/EU of 22 October 2014. This information is audited by an independent third-party body, which issues an opinion included in part IV of this declaration or in an appendix.

In order to identify the *"main risks related to the business activity of the company or group of companies, including, where relevant and proportionate, the risks generated by its business relationships, products or services"*, the Group has used the social and environmental information listed in decree no. 2017-1265 of 9 August 2017 as a basis, by identifying the potential risks associated with each of these items. This assessment was carried out via interviews with a number of Board and Executive Committee members, as well as an external stakeholder acting in the capacity of financial analyst.

The risks identified were then submitted to the business line managers in order to be measured. Business line managers were asked to estimate the "gross" probability of the risk materialising, excluding any action taken by the Group, as well as the financial impact and the impact on reputation and business continuity should the risk materialise. Each level of risk corresponds to specific events set out in a table. Individual risk ratings were obtained by multiplying the degree of probability by the sum of the levels of impact. Risks were then placed in order of priority according to their estimated levels of severity and probability.

For the description of the business model, all stakeholders were questioned on the Group's value creation targets and strategies, as well as the main trends and factors that could influence the Company's future development.

These results were presented to and approved by the Executive Committee.

To illustrate each of the policies applied in order to identify, mitigate or prevent the occurrence of risks, the Group has selected what appeared to be the most relevant performance indicators.

Introduction:

In previous years, the Group's CSR policy was covered by a section of the business report. Therefore, the policies and measures described in this declaration are in line with existing Group practices. The new aspect concerns the assessment carried out in order to identify and define the main CSR risks related to the business activities of the Group and its members. This report also presents the indicators deemed to be relevant to the main risks and policies.

The required information on the CLASQUIN Group business model is set out in the first part of the annual report, which provides an overview of the Group's main business activities, market positioning and development strategy with regard to future trends and developments.

1. Main CSR risks

The risks presented below correspond to CSR risks related to the Company's business. These are "gross" risks, without taking into account policies and measures implemented by the Group to prevent their occurrence.

12 CSR risks were identified, showing a wide variety of probability and impact levels. Meanwhile, other risks were disregarded on grounds of their irrelevance to the Group's business activities. For example, as a freight forwarder CLASQUIN does not produce manufactured goods and therefore has no production facilities liable to generate environmental risks. The main resource used by the Group to conduct its business is the expertise of its people. Accordingly, staff-related CSR risks are more numerous, as they are relevant to CLASQUIN's business activities.

Description of the 12 CSR risks identified:

STAFF	
Attraction	Negative view of the employer brand and unattractive pay policy, leading to difficulty hiring and attracting talent.
Failure to retain talent	Unattractive career development management and employee dissatisfaction with pay policy, management or internal communication, leading to departure of talented staff.
Workload and working hours	Increase in psychological risks, industrial accidents and travel accidents due to inappropriate work organisation or workload.
Health and safety	Industrial accidents potentially resulting in disability due to non-compliance with safety procedures in warehouses.
Industrial relations	Lack of dialogue between Group management and employees, potentially leading to deterioration in the working environment to the detriment of collective performance.
Training	Lack of ongoing training leading to a discrepancy between staff skills and changing work practices.
Gender balance	Lack of gender balance and unequal pay between women and men.
Disability	Failure to comply with requirements regarding the employment of disabled persons.
ENVIRONMENT	
Waste management	Lack of recycling
Climate change	Inadequate measures to reduce the Company's carbon footprint (greenhouse gas emissions).
SOCIAL	
Sponsorship	Lack of involvement in local communities as a sponsor
Fair practices	Corruption (influence peddling, etc.).

Risk	Probability	Impact			Size of risk
		Financial	Reputation	Business continuity	
Failure to retain talent					
Attraction					
Workload and working hours					
Industrial relations					
Training					
Fair practices					
Disability					
Health and safety					
Waste management					
Gender balance					
Climate change					
Sponsorship					

2. CLASQUIN Group social and environmental responsibility

The CLASQUIN Group has implemented a range of ambitious measures to identify, mitigate or prevent the occurrence of the aforementioned risks.

A. STAFF: a responsible and attractive staff policy

<u>FULFIL</u>

Group objectives: attract and retain talent, encourage internal mobility and provide career development prospects within a “profit, client & fun” company.

- To enhance the attractiveness of its employer brand, CLASQUIN never ceases to innovate. For example, the Group has developed a PC and mobile application called CLASQU'IN in order to publish job offers, encourage staff referrals and strengthen the Group's reputation.
- Group offices seek to foster an atmosphere of trust and independence and operational agents are given responsibility for a wide range of operations whilst providing individual follow-up for each client.
- CLASQUIN organises a number of corporate events to strengthen team cohesion, including the SUMMER UNIVERSITIES (SU) multicultural sporting event organised for employees and managers every year and held in Europe, Asia or America on a rotating basis. Sense of belonging is a driver of performance and responsiveness for CLASQUIN's people.
- To retain and develop talent, the Group seeks to understand the career ambitions of each employee and accordingly offer them promotion opportunities or geographical relocation in accordance with the Group's development requirements.
- In order to motivate its staff to contribute towards economic performance, CLASQUIN has set up an incentive plan and a company savings plan supplemented by a generous employer contribution policy.

Related risks: “lack of attractiveness” – “failure to retain talent”.
Related indicators: average seniority (KPI), headcount (scope: Group) and staff turnover (KPI).

LISTEN

Group objectives: proactively listen to staff members in order to continuously improve well-being in the workplace and foster industrial relations in order to enhance collective performance.

- CLASQUIN has introduced the "Fun@work" scheme and rolled out the "Funometer", an in-company satisfaction survey that gives employees an opportunity to submit comments anonymously on their working conditions and make suggestions for improvements.
- Workstations have been adapted and the head office totally renovated in order to provide employees with a suitable working environment that matches the requirements of the Group's ongoing growth.
- Lastly, CLASQUIN's senior management directly contributes towards industrial relations by chairing regular meetings with staff representative bodies. Meetings may be convened by any member of these bodies.

Related risks: "workload and working hours" – "industrial relations".
Related indicators: results of the "Funometer" in-company satisfaction survey (KPI) (scope: Group).

TRAIN

Group objectives: develop and exploit the skills of each employee.

- Through the CLASQUIN ACADEMY project, the Group seeks to exploit the specialised skills of its staff by encouraging them to become in-company trainers and share their know-how and experience with their colleagues.
- CLASQUIN also encourages use of the French CFP individual training account scheme, an opportunity frequently overlooked in other companies.

Related risk: "training".
Related indicators: training budget expenditure – number of employees receiving training – percentage of headcount receiving training (KPI) – average hours of training per employee (scope: CLASQUIN SA).

PROMOTE DIVERSITY

Group objectives: ensure equal treatment and promote diversity amongst our staff.

- CLASQUIN guarantees equality between women and men in terms of pay, qualifications and career opportunities, via the annual "People Review" appraisals. Every year, a review of "Company policy on equal pay and career opportunities" is submitted to the Board of Directors.
- By providing its hiring managers with appropriate training, the Group sees that discrimination is totally absent from its hiring and induction policy and processes. This principle was reaffirmed by the "generation plan" signed in 2013.
- A number of measures have been implemented to improve the Group's treatment of disabled persons and inform disabled employees of the various schemes available to them. In particular, the Group has drafted a set of guidelines entitled "Action Handicap CLASQUIN" in order to raise employee awareness and provide guidance. In addition, a disability survey was conducted by Alther consultants in the main French offices. Lastly, every year a disability report (Bilan Handicap) is circulated to all offices setting out key figurers, the main measures implemented and recommendations for the following year.
- CLASQUIN has also appointed a disability officer.

Related risks: "gender balance" - "disability".
Related indicators: proportion of women in headcount (scope: Group) – breakdown of headcount by gender and job category (scope: CLASQUIN SA) – breakdown of headcount by gender and pay bracket - breakdown of promotions by gender - number of full time equivalent disabled persons employed by CLASQUIN's French establishments with over 20 employees (scope: France) and percentage of disabled employees (KPI).

PROTECT

Group objective: communicate in order to eliminate safety risks.

- In order to minimise the risk of accidents and safety breaches, the Group uses a wide range of materials to promote preventive and emergency measures, particularly in the warehouses and with regard to staff directly involved in logistics operations. A single document is available for consultation in every office and is periodically revised.
- The use of a company car is subject to compliance with a "vehicle fleet" code of conduct including safety rules.

Related risk: "health and safety".
Related indicator: number of industrial accidents (scope: CLASQUIN SA).

B. ENVIRONMENT: sustainable resource management

LIMIT THE ENVIRONMENTAL IMPACT

Group objectives: measure CO_2 emissions generated by the transport solutions provided and propose more sustainable alternatives.

- While the final decision lies with the client, as a freight forwarder CLASQUIN has chosen to procure the means to measure the carbon footprint of its transport solutions. Accordingly, in 2012 CLASQUIN established a partnership with CARBON IMPACT, an environmental company, in order to calculate the CO_2 emissions generated by the transport solutions provided to its clients. 2017 Group subsidiary LOG SYSTEM took on responsibility for these measurements. Results are provided to clients on request.
- Through its Supply Chain Management Consulting business, the CLASQUIN Group is also committed to advising clients on how to optimise their goods transport systems and, where possible, propose more eco-friendly options such as rail or barge transport. For example, CLASQUIN offers a rail option to and from China.
- In view of its international service business and geographical location on 5 continents, CLASQUIN carefully monitors its own business travel arrangements, which are a major source of expenditure and CO_2 emissions. Accordingly, CLASQUIN seeks to reduce its carbon footprint by encouraging video-conferences and rail travel.

Related risk: "climate change".
Related indicator: number of CO_2 emission analyses conducted (scope: Group), CO_2 emissions from employee travel (scope: CLASQUIN SA).

SET AN EXAMPLE

Group objectives: in relation to its operations, commit to more sustainable management of resources and act in an exemplary fashion.

- For several years now, CLASQUIN has been working with a company called ELISE on the recycling of everyday waste such as plastic cups and bottles, metal cans, cardboard boxes, paper, batteries and bulbs. ELISE is a disability-friendly company committed to promoting the employment of disabled persons. Other waste including coffee capsules and printer cartridges is recycled directly by the supplier.
- The Group also makes every effort to recycle or find a new home for used furniture and computer hardware when replaced.

Related risk: "waste management".
Related indicator: volume of waste recycled (scope: CLASQUIN SA and LOG SYSTEM).

CLASQUIN
Legal

C. SOCIAL: involvement in the local community

COMMITMENT AND INVOLVEMENT

Group objectives: get involved in the local community and encourage employees to follow suit.

- Although the “Foot of Africa” social entrepreneurial project launched in 2012 has been temporarily suspended due to technical problems, the Group continues to contribute towards local communities by donating resources and lending skills.
- CLASQUIN is a founding member of the Emergence foundation, a community of 37 Lyon-based companies committed to helping start-up projects designed to strengthen social bonds or create jobs by donating skills and facilitating contacts.
- In accordance with its strong commitment to equal opportunities, academic achievement and promoting employment, the Group supports local charity organisations such as COUP DE POUCE and RESSORT.
- Under its partnership with the TÉLÉMAQUE Institute, CLASQUIN offers its employees the chance to become a personal mentor for a school-child or apprentice coming from a humble background, in order to provide guidance throughout their schooling and build their self-confidence.
- CLASQUIN employees also take part in a number of footraces to promote charitable causes, such as the Course Solidaire Interentreprises race or the “Run in Lyon” marathon in aid of the Raphaël association. On the theme of sport, CLASQUIN also sponsors a local basketball club. In 2018, CLASQUIN was ranked among the top 10 sporting companies in France (companies with over 250 employees - 3rd year of the French “Prix des Entreprises les plus Sportives” awards. This ranking is part of “Sentez-Vous Sport”, France’s leading inter-company multi-sport challenge aimed at rewarding and promoting companies that do the most to promote sport among their employees.
- CLASQUIN also contributes to charities such as the Le Foyer Notre Dame des Sans-Abris shelter for the homeless and the Little Brothers of the Poor.
- The Group also sponsors the Fondation des Hospices Civils de Lyon, a foundation that aims to step up the development of innovative projects designed to provide individual support to sick persons.
- Lastly, the Group enlists the services of local disability-friendly companies where possible.

Related risk: “sponsorship”.
Related indicator: annual amount of donations (scope: CLASQUIN SA).

PREVENTION OF BRIBERY AND CORRUPTION

Group objectives: combat bribery and corruption by committing to preventing risks of corruption in relation to Group operations.

- At the World Management Committee Meeting in 2017, the Group organised a special conference on anti-corruption regulations, including brainstorming sessions on the question of gift policy, in order to raise awareness of these issues among all Group managers.
- In December 2017, the CLASQUIN Group Board of Directors adopted an anti-corruption plan including a training scheme and ethics hotline. A corruption risk map is currently being drawn up and the roll-out of the training plan will continue in 2019.
- Compliance with the Middlenext anti-corruption code of conduct is promoted in all Group companies. Accordingly, in December 2018 this code was circulated to all Group employees in four languages together with a message from the Chairman.
- Meanwhile, in 2019 the Group plans to roll out the GIFT (Global Integrated Financial Tools) project involving the separation of different accounting operations, thereby enhancing control of financial transactions.

“It is therefore my wish that the Executive Committee and all employees of CLASQUIN familiarise themselves with and follow this code so that the prevention of corruption, a goal in keeping with the values we uphold, becomes a permanent feature of the way we manage all of our operations.” Yves Revol, CLASQUIN Group Chairman.

Related risk: “corruption”.
Related indicator: number of incidences reported to the Ethics Committee within the framework of the anti-corruption ethics hotline (SAPIN II Act) (KPI).

3. Main CSR indicators

A. Methodology

Over half of the 12 KPIs set out in part III of this declaration have been consolidated at Group level. The indicator regarding the requirement to employ a certain proportion of disabled workers in France applies to the France scope. Four indicators (training, industrial accidents, waste management and sponsorship) cover CLASQUIN SA, which has 292 employees.

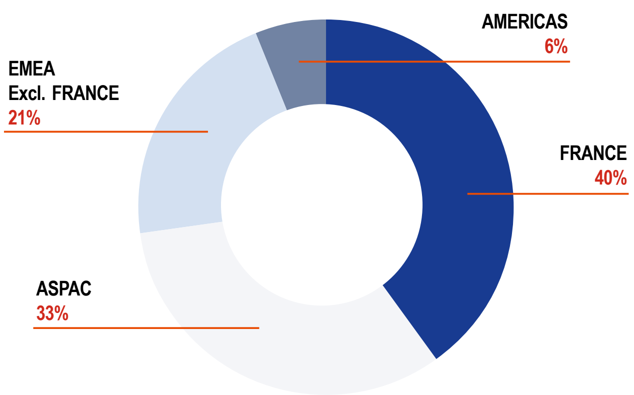
B. Staff indicators

I. Employment

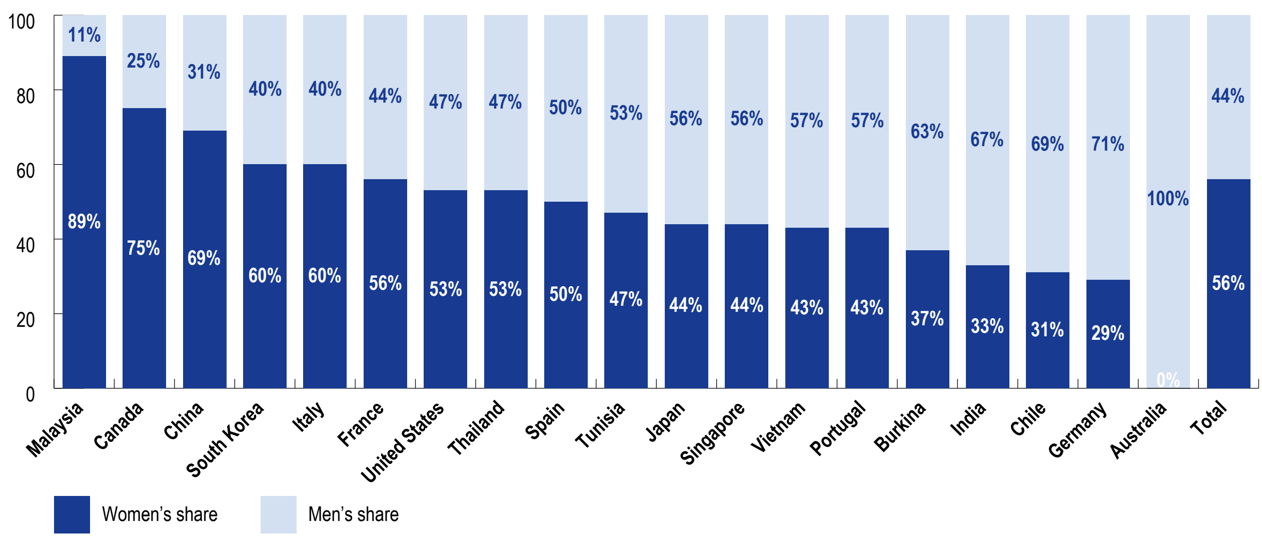
• **Total headcount and breakdown by gender, age and region.**

The Group's **790 employees** are based in **19 countries. 48% of the headcount is based in France and 19% in China.** The Group headcount comprises 56% women and 44% men. In 2018, **the average employee age was 41.** Half of the workforce are aged between 35 and 54, while 29% are aged 25-34, 10% under 25 and 7% over 55.

Breakdown of headcount by region as at 31/12/2018



Breakdown of headcount by gender (2018)



• **Hires and dismissals.**

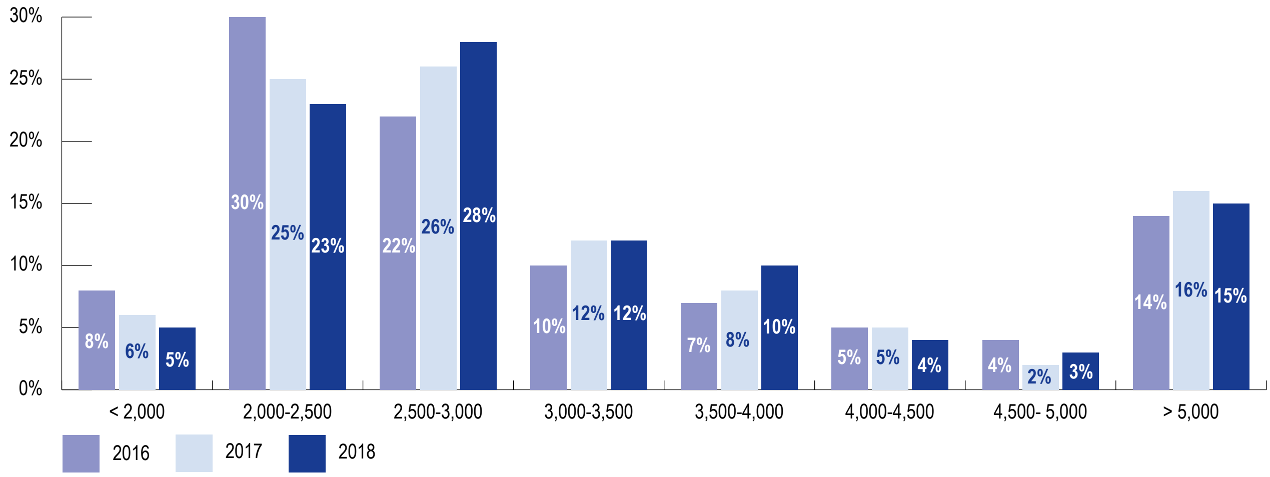
In 2018, the Group hired 227 employees and recorded 199 departures. This corresponds to a net increase of 28 in the headcount and a staff turnover ratio of 28%. **The average seniority of Group employees was 5 years 8 months** in 2018.

Since 2009, the Group has posted an average **5% annual net increase** in the headcount. **Over 10 years,** the headcount has increased by 67% with **300 new permanent employees** compared to 2008.

• **Compensation and wage growth.**

Scope: CLASQUIN SA (France) headcount.

Breakdown of CLASQUIN SA headcount by monthly pay bracket 2016-2018



II. Work organisation – Health – Safety

• **Organisation of working hours.**

Scope: CLASQUIN SA (France) headcount.

CLASQUIN SA employees (excluding managers and equivalent) work a 39-hour week and have 12 days of compensatory time off (except for executive officers). No employee is required to work unusual hours including nightwork or working on public holidays.

• **Absenteeism:**

Scope: CLASQUIN SA (France) headcount.

Absenteeism due to illness remains limited:

2016	2017	2018
1.79%	2.22%	1.83%

• **Industrial accidents, including frequency and severity, and occupational illnesses.**

Scope: CLASQUIN SA (France) headcount.

Since 2015, the number of industrial accidents and resulting days of lost time has consistently fallen. In 2018, only one employee (i.e. 0.38% of the permanent workforce) suffered an industrial accident resulting in two days' lost time.

	2015	2016	2017	2018
Number of industrial accidents (IA)	5	4	3	1
Number of IAs resulting in lost time	1	3	1	1
Number of days of lost time following an IA	21	83	40	2
Number of permanent disability cases	1	0	1	0
Industrial accident frequency rate (1)	4.79	2.33	0	2.02

(1) IA frequency rate = no. of lost-time accidents x 1,000,000/no. of hours worked.

III. Industrial relations

• **Organisation of industrial relations, including staff communication, consulting and bargaining procedures.**

Scope: Group headcount.

Three "Funometer" surveys (anonymous in-company satisfaction survey) have been conducted since 2017. The response rate was 85% in 2017 and over 78% in 2018. In 2017 and 2018, over 80% of employees questioned replied that they felt good at work. In 2018, over 93% of employees questioned considered that their managers were accessible and attentive.

IV. Training

• **Training policies implemented.**

Scope: CLASQUIN SA (France) headcount.

In 2018, CLASQUIN SA invested 0.65% of its 2017 payroll in training courses designed to develop employee skills or help them adapt to their job. In addition, the Company paid a mandatory contribution amounting to 1% of its 2017 payroll (€112,754.19), entailing a total contribution of 1.65% of the payroll (€186,044.41). In 2018, CLASQUIN SA decided to rejoin the Transport and Services OPCA training fund in order to receive customised advice and joint financing in return for a commitment to invest 0.40% of its payroll in training. In total, therefore, CLASQUIN SA invested 0.25% of its payroll over and above the commitment made to the OPCA. The Group regards training as a genuine investment in furthering its strategy.

In 2017, training was provided to 126 employees representing 51% of the headcount, and in 2018 to 87 persons representing 30%. Although the number of employees receiving training fell in 2018, **the average number of training hours per employee receiving training** increased from 15 in 2017 to **20 in 2018.**

V. Equal treatment

• **Measures to promote gender equality.**

Scope: CLASQUIN SA (France) headcount.

In 2018, **women** comprised the majority of CLASQUIN SA's overall workforce (63% of the headcount versus 60% in 2017) as well as employees performing administrative and supervisory jobs. They comprise 43% of the "senior supervisor" category and **53% of manager positions** (versus 51% in 2017).

In 2018, there was an **overall balance** between women and men in the various pay brackets, except for monthly salaries over €5,000, where they are in the minority, and under €2,000, where they are in the majority.

Breakdown of headcount by monthly pay bracket (€) as at 31/12/2018

Pay bracket	Total	Men	Women	Percentage of women
< 2,000	13	2	11	84.61%
2,000-2,500	62	18	44	70.96%
2,500-3,000	71	21	50	70.42%
3,000-3,500	31	11	20	64.51%
3,500-4,000	25	13	12	48%
4,000-4,500	10	2	6	80%
4,500-5,000	8	2	6	75%
> 5,000	40	28	12	30%

In 2018, men and women were promoted **in fairly equal proportions,** with a slight bias in favour of women.

Breakdown of promotions in 2018				
Category	Total	Men	Women	Percentage of women
Administrative employee to supervisor	7	3	4	57.14%
Supervisor to senior supervisor	1	0	1	100%
Supervisor to manager	2	1	1	50%
Senior supervisor to manager	1	1	0	0%
Change of title	28	11	17	60.71%
Total	**39**	**16**	**23**	**58.97%**

• **Measures to promote the hiring and integration of disabled persons.**

Scope: CLASQUIN SA (France) headcount.

Proportion of disabled employees in total workforce:

	2015	2016	2017	2018
Proportion of disabled employees	3%	2%	2.80%	2.70%

The requirement for French establishments with over 20 employees to employ at least 6% disabled persons is met fully by some establishments and partly by others.

Establishment	2018 employment requirement	Registered full time equivalent (FTE) disabled employees
Registered office	3 FTE	1.58 FTE
CLASQUIN Lyon office	2 FTE	2 FTE
CLASQUIN Paris office	3 FTE	1 FTE
CLASQUIN Le Havre office	1 FTE	1 FTE
CLASQUIN Nantes office	1 FTE	0.33 FTE
LOG SYSTEM	1 FTE	0 FTE
LCI CLASQUIN	1 FTE	1 FTE

C. Environmental indicators

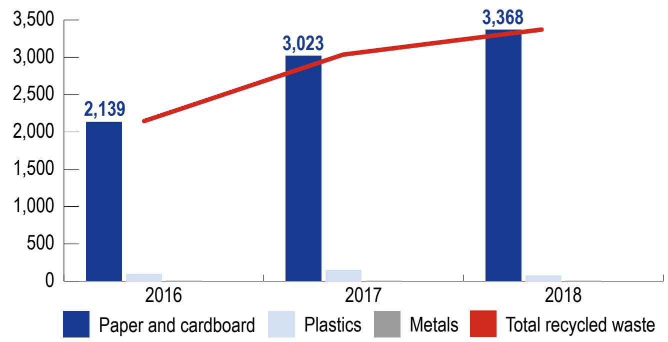
CIRCULAR ECONOMY

• **Waste prevention and management.**

Scope: CLASQUIN SA (France) and LOG SYSTEM (France).

In 2018, CLASQUIN SA and LOG SYSTEM recycled just under 3.5 tonnes of waste.

Waste sorted and recycled (kg)



CLIMATE CHANGE

• **Measures to reduce the impact of Company operations indirectly responsible for greenhouse gas emissions.**

Scope: CLASQUIN SA (France).

In view of its international service business and geographical location on 5 continents, CLASQUIN carefully monitors its own business travel arrangements, which are a major source of expenditure and CO_2 emissions.

CLASQUIN SA drastically reduced its CO_2 emissions in 2018 (by 28 %) by encouraging video-conferences and the use of rail transport for business travel.

The Group has set the target of maintaining its CO_2 emissions per person at the 2018 level excluding exceptional events (organisation of the "Summer Universities" outside Europe).

Means of transport	CO_2 (kg) 2017	CO_2 (kg) 2018
AIR	***256,671***	***182,666***
Europe	23,190	22,268
International	197,922	124,715
National	33,559	35,683
RAIL	***1,068***	***3,980***
Europe	31	50
National	1,037	3,930
Total	**257,739**	**186,646**
Average consumption/headcount	**808 kg/p**	**491 kg/p**

Scope: Group.

Furthermore, in 2018 LOG SYSTEM conducted 18 analyses to calculate the rate of CO_2 emissions for the transport solutions provided to CLASQUIN clients.

D. Social indicators

SOCIAL COMMITMENTS IN FAVOUR OF SUSTAINABLE DEVELOPMENT

• **Partnerships and sponsorship.**

Scope: CLASQUIN SA (France).

In 2018, CLASQUIN gave donations worth €17,475 to charities and foundations, including Emergence (€25,000 over 5 years), Les Hôpitaux Civils de Lyon (€3,000), Télémaque (€2,700) and Le Foyer Notre Dame des Sans Abris (€2,500).

FAIR PRACTICES

• **Prevention of bribery and corruption.**

Scope: Group.

No incidences were reported in 2018 and the Ethics Committee was not required to investigate cases of alleged corruption.

• **Measures to protect consumer health and safety.**

CLASQUIN is an Authorised Economic Operator (AEO) recognised as such by the customs authorities. This status guarantees that the company exercises stringent controls over its operations and goods flows.

E. Exclusions and limitations

As a forwarding agent, the Group does not manufacture goods or directly provide the transport services it offers.

Given the nature of the CLASQUIN Group's business, the possibility of providing information relating to the following items is limited:

• the impact of the Group's operations and use of its goods and services on climate change

• social commitments in favour of sustainable development and the circular economy

CLASQUIN does not have a collective catering system that would require vigilance with regard to food waste, food insecurity, animal well-being and responsible, fair and sustainable nutrition

Furthermore, no company collective agreements are in force apart from those regarding the incentive scheme and Group savings plan, which play an important role in driving collective economic performance at the subsidiaries.

Lastly, as a company listed on a market that is controlled but not regulated (Euronext Growth), the Group is not required to address issues related to the defence of human rights and prevention of tax evasion.

4. Independent third-party body's report on the consolidated declaration of non-financial performance included in the Management Report

Financial year ended 31 December 2018.

To the Shareholders,

In our capacity as independent third-party body and also as statutory auditors of Clasquin authorised by the Inspection section of COFRAC under number 3-1321 (the scope of this authorisation may be consulted on www.cofrac.fr), we hereby submit to you our report on the consolidated declaration of non-financial performance for the year ended 31 December 2018 (the "Declaration"), as presented in the management report in accordance with the statutory and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Company's responsibility

The Board of Directors is required to draw up a Declaration in compliance with statutory and regulatory provisions including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied in response to these risks and the results of said policies, including key performance indicators.

The Declaration was prepared in application of the company's procedures (the "Guidelines"), the main features of which are set out in the Declaration or may be consulted on request at the company's registered office.

Independence and quality control

Our independence is defined by the terms of Article L. 822-11-3 of the French Commercial Code and by our professional code of conduct. In addition, we have implemented a quality control system comprising documented policies and procedures designed to guarantee compliance with ethical principles, professional standards and applicable statutory and regulatory provisions.

Responsibility of the independent third-party body

It is our responsibility, on the basis of our work, to establish a substantiated opinion expressing a conclusion of limited assurance regarding:

• the compliance of the Declaration with the provisions of Article R. 225-105 of the French Commercial Code,

• the fair presentation of the information provided in application of Article R. 225 105 I (3) and II of the French Commercial Code, namely the results of the policies, including key performance indicators, and the measures taken in response to the main risks (the "Information").

We are not, however, required to express an opinion regarding:

• the company's compliance with other applicable statutory and regulatory provisions, including those related to the vigilance plan and the prevention of corruption and tax evasion,

• compliance of products and services with applicable regulations.

Nature and scope of work

Our work as described above was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, which set out the requirements regarding the performance of the independent third-party body's engagement, and in accordance with the professional standards of the *Compagnie nationale des commissaires aux comptes* regarding such engagements, as well as international standard ISAE 3000 - "Assurance engagements other than audits or reviews of historical financial information".

We performed such operations as to allow us to assess the compliance of the Declaration with regulatory provisions and the fair presentation of the Information:

- we acquired an understanding of the business activity of all companies included in the consolidation scope, the description of the main social and environmental risks related to such activity, the policies established in response to said risks and the results of said policies,
- we assessed the appropriateness of the Guidelines in terms of their relevance, completeness, reliability, objectiveness and clarity, taking industry good practices into account where applicable,
- we verified whether the Declaration covered each information category listed by Article L. 225-102-1 III of the French Commercial Code with regard to social and environmental issues, as well as the defence of human rights and prevention of corruption and tax evasion,
- we verified whether the Declaration included an explanation of the reasons for the omission of information required under Article L. 225-102-1 III (2),
- we verified whether the Declaration presented the business model and the main risks related to the business activity of all companies included in the consolidation scope, including, where relevant and proportionate, the risks generated by its business relationships, products or services, as well as the policies, measures and results, including key performance indicators,
- we verified whether the Declaration presented the information listed in Article R. 225-105 II of the French Commercial Code, where such information is relevant to the main risks or policies presented,
- we assessed the process of selecting and approving the main risks,
- we ascertained the existence of internal control and risk management procedures implemented by the company,
- we assessed the consistency of the results and key performance indicators adopted with regard to the main risks and policies presented,
- we verified whether the Declaration included a clear and substantiated explanation of the reasons for the lack of a policy regarding one or more of these risks,
- we verified whether the Declaration covered the consolidated scope, namely all companies included in the consolidation scope in accordance with Article L. 233-16 of the French Commercial Code, subject to the limitations set out in the Declaration,
- we assessed the information-gathering process established by the entity with a view to guaranteeing the completeness and fair presentation of the Information,
- with regard to the key performance indicators and other quantitative results[1] that we deemed to be the most important, we conducted:
  - analytical procedures to verify the correct consolidation of the data collected and the consistency of comparative data,
  - sample tests aimed at verifying the due application of definitions and procedures and reconciling the data contained in the supporting documentation. This work was performed on a selection of contributing entities[2] covering between 31% and 33% of consolidated key performance indicator data and results selected for these tests,
- we consulted documentary sources and held interviews in order to corroborate what we considered to be the most important qualitative information (measures and results)[3],
- we assessed the consistency of the Declaration as a whole in light of our knowledge of the company.

We consider that the work we performed in the exercise of our professional judgement allows us to draw a conclusion of limited assurance, on the understanding that a greater degree of assurance would have required more extensive verification.

Means and resources

Our assignment was conducted by five people working for a total period of two weeks between the beginning of January and mid-March 2019.

We held around a dozen interviews with the persons responsible for preparing the Declaration, including representatives of senior management and the administration and finance, risk management, compliance, human resources, health and safety, environment and training departments.

Conclusion

On the basis of our work, we have not identified any material anomalies liable to call into question the compliance of the declaration of non-financial performance with applicable regulatory provisions and the fact that the Information, taken as a whole, is presented fairly in accordance with the Guidelines.

*(1) **Quantitative staff information:** total headcount at 31/12/2018; average seniority; turnover; percentage of disabled employees; proportion of employees feeling satisfied at work; proportion of employees considering that their managers were accessible and attentive; percentage of headcount receiving training.*
(2) CLASQUIN SA (France).
*(3) **Qualitative staff information:** anti-corruption measures implemented.*

Comments

- In the case of the "percentage of headcount receiving training" and "percentage of disabled employees" key performance indicators, the reporting scope covers only 30% of the consolidated headcount corresponding to the France scope.
- The features of the business model are presented in different sections of the management report, including:
  - main business activities and key figures: in the paragraphs entitled "2018 financial overview", "CLASQUIN SAorganisation chart" and "CLASQUIN, the only multinational SME in its sector",
  - features of the economic model: in the paragraphs entitled "CLASQUIN SA and its subsidiaries" and "Main CSR indicators",
  - outlook and strategy: in the paragraphs entitled "Human resources" and "Staff: a responsible and attractive staff policy".

Villeurbanne, 19 April 2019.

The independent third-party body: MAZARS SAS (Lyon)
Paul-Armel JUNNE
Nicolas DUSSONS

F. Material post balance sheet events

Change in Group governance effective 1 January 2019: separation of duties of CLASQUIN's Chairman and Chief Executive Officer.

- Appointment of Hugues MORIN as CEO of the CLASQUIN Group.
- Yves REVOL retains his position as Chairman of CLASQUIN's Board of Directors and becomes Executive Chairman.

G. Foreseeable changes in the position of the group of consolidated companies and outlook

Market — Estimated volume growth:

- sea freight +/- 2 or 3%,
- air freight +/- 2 or 3%.

CLASQUIN — Growth significantly higher than market growth.

H. Earnings appropriation

Please note that, in the prospectus drawn up for the Company's flotation on Euronext Growth (formerly Alternext), provided that the Group is able to fund the capital expenditure required to drive its growth and insofar as results allow, the Company has announced its intention to make 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 2018 amounting to approximately 53.5% of consolidated net profit Group share, which amounted to €2,802,891.

We therefore recommend that you allocate CLASQUIN SA's net loss for the year amounting to €158,640.87 as follows:

- allocate the sum of (€158,640.87) to retained earnings/losses carried forward.

And distribute a total dividend amounting to €1,499,160.65

entirely drawn 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 €0.65 per share. This dividend will be paid on 12 June 2019.

Please note that, save exception, under Article 117 *quater* of the French Tax Code dividends received by individual French tax residents are 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 Tax Code, we would like to remind you that the amounts distributed as dividends for the previous 3 years were as follows:

FINANCIAL YEAR	Dividend distribution per share
2017	€0.80
2016	€0.80
2015	€1.25

I. Non tax-deductible expenses

In accordance with the provisions of Article 223 *quater* and *quinquies* of the French Tax Code, we hereby inform you that the 2018 financial statements include €112,363 in respect of non tax-deductible expenses and that corporate tax paid on this amount at the base rate came to €37,454.

J. Subsidiaries and shareholdings

We have presented the business activity of the subsidiaries in our report on the Company's business activity. The table of subsidiaries and shareholdings is included in this report.

During 2018, 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:

- the equity stake in CLASQUIN USA was increased to 100%,
- the equity stake in CLASQUIN FAIRS & EVENTS was reduced to 70%,
- EXPRESS CONSOLIDATION SYSTEMS Corp. was sold on 30 October 2018,
- ECS BARBADOS was wound up in January 2018,
- FAVAT TRANSIT, a company acquired on 5 July 2018, was wound up without liquidation in favour of CLASQUIN SA effective 29 December 2018,
- COSMOS CONSULTANTS was acquired by LOG SYSTEM,
- LOG SYSTEM TUNISIA was created by LOG SYSTEM,
- MED-TIR was wound up on 28 December 2017 and the closure of the liquidation proceedings was announced on 3 April 2018.

The Company has a number of secondary establishments in France.

K. Controlled companies

As at 31 December 2018, the Company controlled the following companies directly or indirectly:

List of subsidiaries directly held by CLASQUIN SA:

NAME OF COMPANY	Registered office	% interest 2018	% interest 2017
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 FAIRS & EVENTS	Lyon	70%	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	Porto	90%	90%
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	100%	80%
CLASQUIN VIETNAM Ltd	Ho Chi Minh City	99%	99%
EAST ASIA LOGISTICS COMPANY Ltd	Ho Chi Minh City	49%	49%
EXPRESS CONSOLIDATION SYSTEMS Corp.	Rutherford (New Jersey)	-	80%
FINANCIÈRE LCI SAS	Lyon	80%	80%
LOG SYSTEM SARL	Lyon	70%	70%
CLASQUIN T.I. INTERCARGO 1999, SA	Barcelona	100%	100%

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List of subsidiaries indirectly held by CLASQUIN SA:

NAME OF COMPANY	Registered office	% interest 2018	% interest 2017
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	Hong Kong	69%	69%
COMPANY OWNED BY CLASQUIN USA INC.:			
SECURE CUSTOMS BROKERS Inc.	New York	100%	80%
COMPANIES OWNED BY EXPRESS CONSOLIDATION SYSTEMS CORP.:			
EXPRESS CONSOLIDATION SYSTEMS BARBADOS Ltd	Saint-Michael	-	80%
COMPANIES OWNED BY LOG SYSTEM SARL:			
COSMOS CONSULTANTS	Paris	70%	-
LOG SYSTEM TUNISIA	Tunis	69%	-
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%
SCI LACHA	Villefranche	50%	50%

L. 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 2018.

M. Board member and statutory auditor appointments – New Board member appointment proposals

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

We propose that you appoint:

• Laurence ILHE, residing at 20 route de Chazier, 69640 Cogny, as new Board member,

• MA Fan, residing at 96 rue de la Part Dieu, 69003 Lyon, as new Board member,

in addition to the incumbent members, for a six-year term expiring at the close of the general meeting called to approve the financial statements for the year ending 31 December 2024.

N. Recommended allocation of directors' fees

We recommend allocating the Board of Directors total directors' fees of €32,000 for 2019.

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

We propose that, at this general meeting, you renew all previously granted authorisations that are due to expire.

1. 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 plans,
- 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 plan,
- retention and subsequent exchange or payment as part of transactions such as acquisitions, mergers, demergers or contributions,
- coverage of debt securities convertible into 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 €60 (excluding transaction fees).

The maximum theoretical amount for carrying out this programme is €13,838,406 (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 of the Annual General Meeting called to approve the 2018 financial statements 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 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.

2. Authorisation to increase the share capital by issuing any type of security, with or without preferential subscription rights, as applicable, with authority granted to the Board of Directors to decide on issues

We recommend that you decide on the principle of capital increases, granting power to the Board of Directors, to enable the Company, where applicable, to raise funds on the financial markets with a view to seizing any opportunities for growth.

2.1. Accordingly, in accordance with Articles L. 225-129 et seq., and in particular Articles L. 225 129-2 and L. 228-91 et seq., of the French Commercial Code, we recommend that you grant the Board of Directors powers, for a twenty-six (26) month term, to increase the share capital by issuing ordinary shares or any securities giving access to the share capital, with preferential subscription rights maintained.

2.1.1 As such, the Board of Directors, with the option of further delegation to the Chief Executive Officer, would be entitled to decide on one or more capital increases, in France or abroad, by issuing in euros for consideration or free of charge, Company ordinary shares or any other securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital; subscription for said issue may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

2.1.2 a. The total nominal value of capital increases executed immediately and/or in the future may not exceed three million euros (€3,000,000) plus the par value of any future additional shares issued to safeguard the rights of holders of securities giving access to the share capital, in accordance with the law.

b. The total par value of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), which shall be independent from the cap specified under paragraph 2.1.2.a above.

2.1.3 In proportion to the value of their shares, shareholders shall have a preferential subscription right in respect of issued ordinary shares and securities.

If statutory subscriptions and any additional subscriptions do not account for an entire issue of shares or securities as defined above, the Board may offer any or all unsubscribed securities to the public.

2.1.4 The Board of Directors would also be granted the power, with the option of further delegation to the Chief Executive Officer, to decide on one or more capital increases by capitalisation of additional paid-in capital, reserves, profits or other accounts, for which such capitalisation is permitted in law and under the articles of association, by allocating bonus shares or by raising the par value of existing shares.

The total nominal value of capital increases completed under this authorisation, plus the amount required to safeguard the rights of holders of securities giving access to the share capital in accordance with the law and independently of the cap set under section 2.1.2.a., may not exceed the value of reserves, additional paid-in capital or profits referred to above as at the capital increase date and will not be deducted from the overall cap specified under section 2.1.2.a.

Should the Board of Directors implement this authorisation and in accordance with the provisions of Article L. 225-130 of the French Commercial Code, we recommend that rights forming odd lots shall be neither negotiable nor transferable and that they will be sold, proceeds therefrom being allocated to holders of such rights forming odd lots within the period specified under applicable regulations.

We hereby state that the Board of Directors may deduct any issue expenses arising from the issues concerned from additional paid-in capital.

We recommend that you grant full powers to the Board of Directors, with the option of further delegation to the Chief Executive Officer, to exercise the authorisations referred to above, including to determine the terms and conditions of the securities issued and, generally, to take all measures and perform all required formalities in order to duly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

2.2 We also recommend that you grant the Board of Directors, for the same twenty-six (26) month term, power to increase the share capital by issuing ordinary shares or any securities giving access to the share capital, without preferential subscription rights.

2.2.1 The Board of Directors, with the option of further delegation to the Chief Executive Officer, would be entitled to decide on one or more capital increases, in France or abroad, by issuing in euros Company ordinary shares or any other securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital; subscription for said issue may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

2.2.2 a. The total nominal value of capital increases to be carried out immediately and/or in the future may not exceed three million euros (€3,000,000), this amount being deducted from the cap specified under 2.1.2 .a.

b. The total par value of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), this amount being deducted from the overall cap specified under section 2.1.2.b but not from the cap specified under section 2.2.2.a.

2.2.3 Shareholders' preferential subscription right to said securities issued in accordance with legislation shall not apply.

2.2.4 Amounts payable or potentially payable in the future to the Company for all shares issued or to be issued through the exercise of rights attached to securities shall be determined in accordance with normal market practices, for example based on the average market closing price calculated over a significant period.

We hereby state that the Board of Directors may deduct any issue expenses arising from the issues concerned from additional paid-in capital.

We recommend that you grant full powers to the Board of Directors, with the option of further delegation to the Chief Executive Officer, to exercise the authorisations referred to above, including to determine the terms and conditions of the securities issued and, generally, to take all measures and perform all required formalities in order to duly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

We recommend that you duly note that these authorisations shall be without prejudice to the powers granted to the Board of Directors in accordance with the last paragraph of Articles L. 228-92, L. 228-93 and L. 228-94 relating to issues of securities governed by Article L. 228-91, i.e. debt securities giving rights to other debt securities or to existing shares.

We specify that this authorisation will render void any previous authorisation for the same purpose.

3. Authorisation to increase the share capital without preferential subscription rights by private placement

In accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 228-92 and L. 228-93 of the French Commercial Code and Article L. 411-2 (II) of the French Monetary and Financial Code, we recommend that you:

- grant the Board of Directors, with the option of further delegation to the Chief Executive Officer, the power to decide on one or more capital increases, in France or abroad, by issuing in euros Company ordinary shares or any other securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital, by a share offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, without preferential subscription rights, for which subscription may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

The authorisation which would be thus granted to the Board of Directors will be valid for up to twenty-six (26) months from the date of this general meeting,

- resolve that the total nominal value of capital increases to be carried out immediately and/or in the future may not exceed three million euros (€3,000,000) and, with regard to a share offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, may not exceed, under any circumstances, 20% of the Company's share capital per year, it being specified that this amount shall be deducted from the cap set under section 2.1.2.a.,
- resolve that the total par value of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), this amount being deducted from the overall cap specified under section 2.1.2.b but from not the cap specified in the previous paragraph,
- resolve to waive the shareholders' preferential subscription right to securities issued under an offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code,
- resolve that, in accordance with Article L. 225-136 (2) of the French Commercial Code, the share issue price shall be determined in accordance with normal market practices, for example based on an average of closing share prices calculated over a significant period,
- resolve that the Board of Directors may deduct any issue expenses arising from the issues concerned from additional paid-in capital.

We recommend that you grant full powers to the Board of Directors, with the option of further delegation to the Chief Executive Officer, to exercise the authorisation referred to above, including to determine the terms and conditions of the securities issued and, generally, to take all measures and perform all required formalities in order to duly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

We specify that this authorisation of powers will render void any previous authorisation of powers for the same purpose.

4. Authorisation for the Board to increase the amount of issues under a capital increase with or without preferential subscription rights, in the event of over-subscription

We recommend that you grant the Board of Directors, for a twenty-six (26) month term, in the event of over-subscription, the power to increase the number of shares to be issued under issues pursuant to the authorisations referred to above and subject to the specified caps for those authorisations, in accordance with the terms and conditions stated under Articles L. 225-135-1 and R. 225-118 of the French Commercial Code.

We recommend that you grant full powers to the Board of Directors to exercise the authorisation referred to above, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities in order to duly complete each capital increase, to formally note the completion thereof and to amend the articles of association accordingly.

We specify that this authorisation of powers will render void any previous authorisation of powers for the same purpose.

5. Authorisation to allocate existing or new bonus shares to Group employees and executive officers

We propose that you authorise the Board of Directors, for a period of thirty-eight (38) months with effect from this Annual General Meeting, to make bonus allocations of existing Company shares or of new Company shares to be issued via capital increases, on one or more occasions and at its sole discretion, to employees and executive officers of the Company and entities related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code, or to specific categories of employees or executive officers.

Accordingly, we propose that full powers be delegated to the Board of Directors to allocate bonus shares under the following terms and conditions, namely that you:

- resolve that the total number of shares allocated as bonus shares pursuant to this authorisation shall not exceed four per cent (4%) of the total shares making up the Company's share capital on the allocation date, plus, where applicable, the par value of any additional new shares issued to safeguard the interests of the beneficiaries during the vesting period or of the shareholders in the event of a lock-in period, in accordance with statutory or contractual provisions,
- resolve that the shares allocated will only be vested to their beneficiaries after a vesting period to be determined by the Board of Directors, which shall under no circumstances be less than two (2) years,
- resolve that the Board of Directors shall be entitled to extend the vesting period and/or determine a lock-in period, where the total duration of the share vesting period plus, where applicable, the lock-in period shall not be less than two years,
- resolve that the vesting period shall end prematurely if the beneficiary becomes disabled to an extent corresponding to classification in the second or third of the categories specified in Article L. 341-4 of the French Social Security Code,
- resolve that, in the event of the beneficiary's death, their shares shall be vested pursuant to the provisions of Article L. 225-197-3 of the French Commercial Code,
- resolve that the Board of Directors may provide that the shares vested pursuant to this authorisation must be held in registered form for a length of time to be determined by the Board of Directors,
- duly note that, for new shares to be issued, this authorisation will involve, at the end of the vesting period, increasing the share capital by capitalisation of reserves, profits or additional paid-in capital in favour of the recipients of the said shares and note that this resolution results in the automatic waiver by the shareholders, in favour of the recipients of the bonus shares, of the portion of reserves, profits or additional paid-in capital that would thus be incorporated into the share capital as well as their preferential subscription rights,
- authorise the Board of Directors to adjust the number of shares as required due to any equity transactions executed during the vesting period in order to maintain the beneficiaries' rights,
- delegate to the Board of Directors all powers required for the exercise of this authorisation, including the power to determine the identity of the beneficiaries and the number of shares allocated to each one and to set the terms and conditions and, where applicable, the criteria for allocating the shares and, more generally, to do all that is necessary for the purposes of implementing this authorisation and its consequences.

The Annual General Meeting, for a period of thirty-eight (38) months, would delegate full powers to the Board of Directors, acting in accordance with the aforementioned terms and conditions, in the event of an allocation of new shares to be issued, to set the amount of reserves, profits or additional paid-in capital to be incorporated into the share capital, to record the consequent capital increase(s) carried out, to amend the articles of association accordingly and, more generally, to do all that is necessary for the purposes of implementing this authorisation and its consequences.

6. Resolution to be adopted pursuant to the law on employee savings schemes

We wish to inform you that, in accordance with the provisions of Article L. 225-129-6 of the French Commercial Code, the Annual General Meeting must vote on a draft resolution for the purpose of carrying out a capital increase pursuant to the provisions of Articles L. 3332-18 et seq. of the French Labour Code:

- upon each decision to increase the share capital via cash contributions, save any statutory exceptions,
- during the third calendar year following the previous Annual General Meeting that resolved on a planned capital increase reserved for employees when employee shareholding is less than 3%.

This increase in capital will satisfy the specific terms and conditions set forth in Articles L. 225-138-1 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labour Code.

Consequently, we would request that you grant the Board of Directors the authority, with the option of further delegation to the Chief Executive Officer, to carry out this capital increase at its sole discretion, up to the maximum aggregate nominal value of three hundred thousand euros (€300,000).

The beneficiaries of this increase in capital would be all employees of the Company and the companies belonging to its Group, as defined in Article L. 225-180 of the French Commercial Code, through an FCPE employee investment fund under a company savings plan.

The shareholders must waive their preferential subscription right in favour of those persons belonging to a company savings plan in the form of 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 and the companies belonging to its Group, as defined in Article L. 225-180 of the French Commercial Code.

The price shall be determined in accordance with the law and, in particular, with the objective practices used for valuing shares. The subscription price shall not be higher than the subscription price thus determined or more than 20% lower than this price (30% when the lock-in period set out in the plan in accordance with Articles L. 3332-25 and 3332-26 of the French Labour Code is 10 years or more); however, the Board of Directors could reduce this discount at its own discretion, in particular should an offer be made to company savings plan members of securities on the international market and/or abroad in order to meet the requirements of local applicable laws.

The final amount of the capital increase, subject to the aforementioned price limits, shall be set at no higher than the number of shares actually subscribed by employees at the subscription closing date agreed by the Board of Directors.

The shares must be fully paid up on the day of subscription and will be locked up for five (5) years effective from the final capital increase date, except in those cases listed exhaustively by law.

The authorisation granted to the Board of Directors to decide on a capital increase reserved to employees within the framework of the provisions of the aforementioned Articles L. 3332-18 et seq. of the French Labour Code shall remain valid for a twenty-six (26) month term as of this General Meeting.

We specify that this authorisation of powers will render void any previous authorisation of powers for the same purpose.

P. Amendment to Article 24 of the Company's articles of association

We propose that Article 24 of the Company's articles of association on the powers of the Ordinary General Meeting be amended in order to stipulate that the Board of Directors has the power to decide on or authorise the issue of bonds, unless the general meeting resolves to exercise said power, in accordance with statutory provisions. Accordingly, we propose that Article 24 of the Company's articles of association be henceforth worded as follows:

"ARTICLE 24 - ORDINARY GENERAL MEETINGS

The Ordinary General Meeting is called to vote on all resolutions that do not involve amendments to the articles of association.

The Ordinary General Meeting meets at least once a year within the applicable statutory and regulatory time periods in order to approve the financial statements for the previous financial year.

In particular, it may approve, make changes to or reject the financial statements submitted to it; vote on the appropriation and distribution of profits in accordance with the provisions of the articles of association; appoint and dismiss Board members and statutory auditors; approve or reject provisional Board member appointments made by the Board of Directors; set the amount of directors' fees allocated to the members of the Board; vote on the statutory auditors' special report on agreements subject to the Board's prior approval; authorise issues of bonds not convertible or exchangeable for shares if it resolves to exercise such power, without prejudice however to the Board's power to decide on or authorise bond issues in accordance with statutory provisions; authorise the establishment of any proprietary security rights granted in their favour.

When convened for the first time, the Ordinary General Meeting is quorate if shareholders present, represented or voting by postal vote hold at least the number of voting shares provided for by law.

When convened for the second time, no quorum is required.

Resolutions are passed by a majority of votes held by shareholders present, represented or voting by postal vote."

Q. 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.

R. 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 2018, we hereby inform you that the Company carried out the following transactions during the financial year ended 31 December 2018:

- number of shares purchased during the financial year: 15,345
- number of shares sold during the financial year: 15,410
- average purchase price: €36.2994
- average sale price: €36.8408
- transaction costs: nil
- number of shares registered in the Company's name as at 31 December 2018: 5,345
- total value of shares at purchase price: €192,350.52
- share par value: €2.00
- proportion of share capital represented: 0.23%.

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 2018:

OBJECTIVES	Number of shares acquired	Average purchase price (€)	Number of shares sold	Potential reallocations
Liquidity contract	15,345	€36.2994	15,410	N/A

For information, the CLASQUIN share price was €35.90 on 2 January 2018 and €30 on 31 December 2018.

S. Information on 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 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 share capital or voting rights:
  - OLYMP, a company controlled by Yves REVOL, holds 40.89% of the share capital and 55.34% of the voting rights,
  - Yves REVOL holds 4.64% of the share capital and 6.28% of the voting rights,
  - ARIANE PARTICIPATIONS, a company controlled by Hugues MORIN, holds 5% of the share capital,
  - EDMOND DE ROTHSCHILD ASSET MANAGEMENT (France), acting on behalf of the funds it manages, stated that it held 5.66% of the share capital,
- 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:
  - AMUNDI stated that it held shares in its UCITS funds representing 2.43% of the share capital and that it had passed below the threshold of 2.5% of the share capital (letter dated 24 July 2018),
  - EDMOND DE ROTHSCHILD ASSET MANAGEMENT (France), acting on behalf of the funds it manages, stated that it had passed above the threshold of 5% of the share capital (letter dated 14 November 2018).

T. 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 from the information we have received:

- number of shares sold: 52,019
- number of shares purchased: 40,159
- 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	36,200	N/A
Hugues MORIN and related persons	13,597	31,672
Laurence ILHE	2,222	8,487

U. 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 31 December 2018, the CLASQUIN PERFORMANCES investment fund held 4.2% of the Company's share capital.

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Paris CDG

CLASQUIN, THE CLIENTS, PROFIT & Fun COMPANY

V. 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. 225-37 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.

Offices and positions held by Yves REVOL, Board member, Chairman and Chief Executive Officer until 31 December 2018 and Chairman of the Board of Directors from 1 January 2019

Chairman of OLYMP
Chairman of CLASQUIN FAR EAST
Board member of CLASQUIN JAPAN
Chairman of CLASQUIN SINGAPORE
Chairman of CLASQUIN MALAYSIA until 03/07/2018
Chairman of CLASQUIN AUSTRALIA until 30/11/2018
Chairman of CLASQUIN CANADA until 01/06/2018
Chairman of CLASQUIN KOREA until 25/10/2018
Chairman of CLASQUIN USA until 03/05/2018
Chairman of CLASQUIN SECURE CUSTOMS BROKERS until 03/05/2018
Chairman of CLASQUIN THAILAND
Chairman of CLASQUIN VIETNAM
Board member of EAST ASIA LOGISTICS Ltd
Chairman of CLASQUIN SHANGHAI
Board member of EUPROSINE
Chairman of CLASQUIN SILK ROAD
Board member of CLASQUIN INDIA
Chairman and Board member of CLASQUIN INTERCARGO until 27/06/2018
Chairman of EXPRESS CONSOLIDATION SYSTEMS, Corp. until 30/10/2018
Chairman and member of the FINANCIÈRE LCI Supervisory Board
Joint managing director of CLASQUIN BURKINA
Chairman of the Board of Directors of CLASQUIN CHILE
Chairman of the LOG SYSTEM Supervisory Board
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
Managing director of SCI WHITE STREET 5
Chairman of FOOT OF AFRICA BURKINA AFRICA until 29/11/2018
Chairman of FOOT OF AFRICA until 29/11/2018

Positions and offices held by 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 Jean-Christophe REVOL

Nil

Positions and offices held by Jean-Christophe REVOL, Permanent representative of OLYMP

Board member of CLASQUIN INTERCARGO
Managing Director of OLYMP
South Europe International Sales Director at CLASQUIN INTERCARGO

Positions and offices held by Hugues MORIN, Board member, Deputy Managing Director until 31 December 2018 and Chief Executive Officer from 1 January 2019

Executive Vice President of CLASQUIN SA until 30/12/2018
Chairman of CLASQUIN ITALIA
Member of the FINANCIÈRE LCI Supervisory Board
Board member of CLASQUIN AUSTRALIA from 30/11/2018
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
Managing director of CLASQUIN PORTUGAL
Board member of EXPRESS CONSOLIDATION SYSTEMS, Corp. until 30/10/2018
CEO of CLASQUIN FAIRS & EVENTS
Board member of CLASQUIN JAPAN
Board member and legal representative of CLASQUIN KOREA from 25/10/2018
Chairman and Board member of CLASQUIN INTERCARGO from 27/06/2018
Managing Director of ARIANE PARTICIPATIONS

Positions and offices held by Claire MIALARET, Board member

Offices: Nil
Electronic communications ombudsman

Positions and offices held by Christian AHRENS, Board member

Offices: Nil
Transition manager

Positions and offices held by Laurence ILHE, Deputy Managing Director

Chairman of CLASQUIN CANADA from 01/06/2018
Statutory auditor of CLASQUIN JAPAN
Statutory auditor of CLASQUIN KOREA
Board member of CLASQUIN MALAYSIA from 03/07/2018
Board member of CLASQUIN SINGAPORE
Chairman of CLASQUIN USA from 03/05/2018
Chairman of CLASQUIN SECURE CUSTOMS BROKERS from 03/05/2018
Group General Secretary of CLASQUIN SA

Positions and offices held by Quentin LACOSTE, Deputy Managing Director

Offices: Nil
Group Chief Operating Officer of CLASQUIN SA

1.2 Information on the exercise of Senior Management

On 5 December 2018 the Board of Directors decided to separate the duties of Chairman and Chief Executive Officer of CLASQUIN with effect from 1 January 2019:

• Yves REVOL retains his position as Chairman of CLASQUIN's Board of Directors,

• Hugues MORIN is appointed Chief Executive Officer.

1.3 Duration of Board member appointments

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. Following the Board's decision on 5 December 2018 to separate the duties of Chairman and Chief Executive Officer, Yves REVOL has been Chairman of CLASQUIN's Board of Directors since 1 January 2019.

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. His appointment as Deputy Managing Director was confirmed by the Board of Directors on 5 December 2018.

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.

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. Following the Board's decision on 5 December 2018 to separate the duties of Chairman and Chief Executive Officer, Hughes MORIN has been Chief Executive Officer of CLASQUIN since 1 January 2019.

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.

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.

2. Summary of currently valid powers 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	
The Combined Annual General Meeting of 7 June 2017	• authorised the Company to increase its share capital by a maximum nominal 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 nominal 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 the share capital by a maximum nominal 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 nominal 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.
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 employees and executive 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 executive 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.

W. 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,
- powers granted to the Board of Directors to issue any type of securities with or without preferential subscription rights,
- powers granted to the Board of Directors to carry out one or more capital increases, without preferential subscription rights, by an offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code,
- authorisation granted to the Board of Directors to allocate existing or new bonus shares,
- the waiving of shareholder preferential subscription rights in favour of employees of the Company and the companies belonging to its Group as defined by Article L. 225-180 of the French Commercial Code.

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)	2014	2015	2016	2017	2018
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)	124,148,098.01	124,559,858	121,210,968.98	157,650,851.47	167,489,109.46
Profit before tax, profit sharing, amortisation, depreciation and provisions	4,451,469.15	2,639,851.51	2,615,104.59	3,739,863.79	2,790,938.61
Income tax	93,033.33	107,188.00	64,500.00	(137,928.00)	(1,200.00)
Employee incentive and profit-sharing scheme	872,900.00	1,126,382.00	1,115,454.64	1,573,009.00	1,209,055.00
Profit/(loss) after tax, profit sharing, amortisation, depreciation and provisions	2,358,838.37	1,027,783.29	262,635.57	859,564.26	(158,640.87)
Earnings distributed	1,843,314.00	2,883,001.25	1,845,120.80	1,844,182.40	
EARNINGS PER SHARE	-	-	-	-	-
Profit after tax and profit sharing, before amortisation, depreciation and provisions	1.55	0.61	0.62	1.00	
Profit after tax, profit sharing, amortisation, depreciation and provisions	1.02	0.45	0.11	0.37	
Allocated dividend	0.80	1.25	0.80	0.80	
EMPLOYEES	-	-	-	-	-
Average number of employees	216	237	232	240	257
Wages	9,361,221.46	9,851,390.04	10,648,762.63	11,744,982.90	12,971,685.38
Employee welfare expenses (social security, charities)	4,068,117.81	4,305,000.90	4,761,505.22	5,279,399.88	5,423,240.26

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Germany

NOTE 2

Subsidiaries and shareholdings

SUBSIDIARIES AND SHAREHOLDINGS (over 50% equity interest) *(in euros)*	**Share capital (excluding share premium)**	**Shareholders' equity at 31 December 2018**	**Equity in %**	**Book value of investment**	
				(gross)	**(net)**
CLASQUIN FAR EAST (4)	96,272	4,484,014	100%	128,893	128,893
CLASQUIN AUSTRALIA	477,281	503,997	100%	365,428	365,428
CLASQUIN JAPAN	92,140	828,813	100%	196,746	196,746
CLASQUIN KOREA	202,746	269,783	100%	214,493	214,493
CLASQUIN SINGAPORE	233,468	636,703	100%	232,047	232,047
CLASQUIN THAILAND (1)	175,825	416,580	49%	145,956	145,956
CLASQUIN MALAYSIA	229,021	269,873	100%	225,417	225,417
CLASQUIN ITALIA	100,000	752,560	100%	945,655	752,560
CLASQUIN USA	14,994	775,019	100%	784,638	775,019
CLASQUIN CANADA	195,298	185,400	100%	179,990	179,990
LOG SYSTEM	250,000	967,590	70%	88,039	88,039
CLASQUIN VIETNAM	68,840	288,389	99%	81,500	81,500
CLASQUIN GERMANY	700,000	894,599	100%	200,000	200,000
CLASQUIN INDIA	882,323	975,378	100%	929,293	929,293
CLASQUIN SILK ROAD (2)	62,184	(24,274)	51%	31,685	-
CLASQUIN BURKINA FASO	15,245	(11,128)	100%	15,245	-
CLASQUIN INTERCARGO	90,165	2,250,268	100%	2,901,837	2,901,837
CLASQUIN CHILE (3)	1,436,805	1,214,383	100%	1,500,000	1,500,000
CLASQUIN Portugal (3)	200,000	96,456	90%	180,000	86,810
ART SHIPPING (3)	10,000	558,459	80%	884,920	884,920
FINANCIÈRE LCI	3,000,000	10,205,326	80%	2,400,000	2,400,000
ECSUS (formerly Garnett)	94,169	227,996	0%	-	-
CLASQUIN FAIRS & EVENTS (3)	50,000	167,816	70%	29,957	29,957
CLASQUIN EAL	10,493	(12,625)	100%	4,987	-

(1) CLASQUIN THAILAND is 49% directly held and 100% controlled.
(2) In the case of CLASQUIN SILK ROAD, CLASQUIN EAL and BURKINA FASO, given that the Group share of shareholders' equity is negative (-€12,380, -€12,625 and -€11,128 respectively after full write-off of their shares), an additional impairment charge was 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 €2,014,020 guarantee for CLASQUIN SHANGHAI.

Advances and loans granted by the Company		Amounts of guarantees and securities given by the Company on 31 December 2018	Sales for the financial year	2018 net profit	Dividends received by the Company during the year
Initial amount	Capital outstanding				
		2,932,877	27,048,330	1,119,061	1,408,451
		135,988	3,241,107	9,277	
		396,376	11,576,984	223,150	117,322
			3,790,160	(38,671)	28,365
		311,078	2,463,790	(13,391)	
450,000	302,250	85,000	4,754,878	118,494	
		63,395	1,689,006	9,670	
		100,000	4,602,036	74,333	
1,000,000	1,000,000		13,794,870	191,550	190,532
			3,854,808	27,997	
		675,000	2,773,966	129,353	
		52,474	2,868,027	49,971	
600,000	300,000	350,000	5,374,919	8,237	
			5,435,243	142,332	
16,101	16,101			4,581	
42,539	640		223,029	(13,559)	
			27,164,981	824,467	1,100,000
		1,749,121	7,611,870	50,127	
690,000	250	140,000	2,072,220	(83,715)	
			1,696,621	149,748	80,000
2,100,000				1,532,071	
1,084,841			12,882,199	(122,180)	
350,000	300,000		2,623,813	135,697	
			130,588	(3,350)	

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Singapore

2. TEXT OF RESOLUTIONS

Resolutions proposed at the Combined Annual General Meeting of 5 June 2019

A. Ordinary resolutions

First resolution*(Approval of 2018 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 2018, 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 for expenses and charges not deductible from profits subject to income tax, amounting to €112,363, as well as the tax expense of €37,454 relating to the aforementioned expenses and charges.

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 2018.

Third resolution *(2018 earnings appropriation)*
Further to the proposal by the Board of Directors, the Annual General Meeting resolves to allocate CLASQUIN SA's net loss for the year ended, amounting to €158,640.87, as follows:

• allocate the sum of (€158,640.87) to retained earnings/losses carried forward.

And distribute a total dividend amounting to €1,499,160.65

entirely drawn from 'Other reserves'.

Each shareholder will thus receive a dividend of €0.65 per share. This dividend will be paid on 12 June 2019.

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'.

Please note that, save exception, under Article 117 *quater* of the French Tax Code dividends received by individual French tax residents are 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 duly notes that the following amounts were distributed as dividends over the past three financial years:

FINANCIAL YEAR	Dividend distribution per share
2017	€0.80
2016	€0.80
2015	€1.25

Fourth resolution *(Approval of the 2018 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 2018, 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 new version of the management and services agreement entered into with OLYMP.

Sixth resolution *(Approval of the agreements specified under Articles L. 225-38 et seq. of the French Commercial Code - continued)*
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 waiver of the Group fees and fees for the shareholder loans current account held by CLASQUIN PORTUGAL.

Seventh resolution *(Approval of the agreements specified under Articles L. 225-38 et seq. of the French Commercial Code - continued)*
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 renewal of the authorisation granted to stand surety in the name and on behalf of the Company in respect of the liabilities of its subsidiaries, subject to the stipulated limits.

Eighth resolution *(Approval of the agreements specified under Articles L. 225-38 et seq. of the French Commercial Code - continued)*
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 duly notes continuing agreements entered into in previous financial years.

Ninth resolution *(Appointment of a new Board member - Laurence ILHE)*
Further to the proposal by the Board, the Annual General Meeting resolves to appoint Laurence ILHE, residing at 20 route de Chazier, 69640 Cogny (France), as a new Board member in addition to the incumbent Board members, for a six-year term until the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2024.

Tenth resolution *(Appointment of a new Board member - MA Fan)*
Further to the proposal by the Board, the Annual General Meeting resolves to appoint MA Fan, residing at 96 rue de la Part Dieu, 69003 Lyon (France), as a new Board member in addition to the incumbent Board members, for a six-year term until the end of the Annual General Meeting called to approve the financial statements for the year ending 31 December 2024.

Eleventh 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 2019 at €32,000.

Twelfth 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 and/or bonus share plans or equivalent 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 plan,
- retention and subsequent exchange or payment as part of transactions such as acquisitions, mergers, demergers or contributions, subject to statutory limitations,
- coverage of debt securities convertible into 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 €60 (excluding transaction fees) per share having a par value of €2.

The maximum theoretical amount for carrying out this programme is €13,838,406 (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 of further delegation 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.

B. Extraordinary resolutions

Thirteenth resolution *(Renewal of authorisation granted to the Board of Directors to reduce the share capital by cancelling treasury shares)*
The Annual General Meeting, having noted 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,
- correspondingly reduce the share capital by the value of the cancelled shares,
- amend the articles of association accordingly and generally do everything necessary.

This authorisation is granted for a period of eighteen months with effect from this Annual General Meeting.

Fourteenth resolution *(Powers granted to the Board of Directors to issue any shares and securities giving access to equity securities with preferential subscription rights)*
The Annual General Meeting, having noted the report of the Board of Directors and the statutory auditors' special report and in accordance with the provisions of Articles L. 225-129 et seq. of the French Commercial Code, notably Article L. 225-129-2, and the provisions of Articles L. 228-91 et seq. of said Code:

1. Grants the Board of Directors, with the option of further delegation to the Chief Executive Officer, power to decide on one or more capital increases, in France or abroad, by issuing in euros for consideration or free of charge, Company ordinary shares or any securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital; subscription for said issue may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

The authorisation thus granted to the Board of Directors is valid for twenty-six (26) months from the date of this Annual General Meeting,

2. a) Resolves that the total nominal value of capital increases executed immediately and/or in the future may not exceed three million euros (€3,000,000) plus the par value of any future additional shares issued to safeguard the rights of holders of securities giving access to the share capital, in accordance with the law;

b) Resolves that the total par value of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), which shall be independent from the cap specified under paragraph 2. a) above.

3. Resolves that:

In proportion to the value of their shares, the shareholders have a preferential right to subscribe to ordinary shares and securities issued by virtue of this resolution;

If statutory subscriptions and any additional subscriptions do not account for an entire issue of shares or securities as defined above, the Board may at its discretion exercise some or all of the options provided for by Article L. 225-134 of the French Commercial Code, including by offering any or all unsubscribed securities to the public;

And duly notes that the issue of securities giving access to the share capital entails waiver of the shareholders' preferential subscription rights to equity securities to which the securities issued confer entitlement in accordance with the provisions of Article L. 225-132 of the French Commercial Code.

4. Authorises the Board of Directors, with the option of further delegation to the Chief Executive Officer, during the same twenty-six (26) month term, to decide on one or more capital increases by capitalisation of additional paid-in capital, reserves, profits or other accounts, for which capitalisation is permitted under law and the articles of association, by issuing bonus shares and/or raising the par value of existing shares.

5. Should the Board of Directors implement this authorisation and in accordance with the provisions of Article L. 225-130 of the French Commercial Code, resolves that rights forming odd lots shall be neither negotiable nor transferable and that they will be sold, proceeds therefrom being allocated to holders of such rights forming odd lots within the period specified under applicable regulations.

6. Resolves that the total nominal value of the capital increases carried out hereunder, plus the par value of any additional shares issued in the future to safeguard the rights of holders of securities giving access to the share capital in accordance with the law, may not exceed the value of the reserve accounts, additional paid-in capital or profits referred to above as at the capital increase date and shall not be deducted from the overall cap specified under 2(a) above.

7. Resolves that the Board of Directors may deduct any expenses arising from the issues concerned from additional paid-in capital.

8. Resolves that the Board of Directors shall be fully entitled, with the option of further delegation to the Chief Executive Officer, to implement the authorisations referred to above, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities in order to duly complete each capital increase, to formally note completion thereof and to amend the articles of association accordingly.

9. Duly notes that this authorisation shall be without prejudice to the powers granted to the Board of Directors in accordance with the last paragraph of Articles L. 228-92, L. 228-93 and L. 228-94 on issues of securities governed by Article L. 228-91 of said Code, i.e. debt securities giving rights to other debt securities or to existing shares.

10. Duly notes that the aforementioned powers render null and void any previous powers granted for the same purpose.

Fifteenth resolution *(Powers granted to the Board of Directors to issue any shares and securities giving access to equity securities without preferential subscription rights)*
The Annual General Meeting, having taken note of the Board of Directors' report and the statutory auditors' special report and in accordance with the provisions of Articles L. 225-129-2, L. 225-135 and L. 228-91 et seq. of the French Commercial Code:

1. Grants the Board of Directors, with the option of further delegation to the Chief Executive Officer, power to decide on one or more capital increases, in France or abroad, by issuing in euros Company ordinary shares or any securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital; subscription for said issue may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

The authorisation thus granted to the Board of Directors is valid for a maximum twenty-six (26) month term from the date of this Annual General Meeting.

2. a) Resolves that the total nominal value of capital increases to be carried out immediately and/or in the future may not exceed three million euros (€3,000,000), this amount being deducted from the cap specified under 2(a) of the fourteenth resolution.

b) Resolves that the total par value of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), this amount being deducted from the cap specified under paragraph 2(b) of the fourteenth resolution but not from the cap specified under paragraph 2(a) of this resolution.

3. Resolves to waive shareholders' preferential subscription right to securities which will be issued under this resolution.

And duly notes that the issue of securities giving access to the share capital entails waiver of the shareholders' preferential subscription rights to equity securities to which the securities issued confer entitlement in accordance with the provisions of Article L. 225-132 of the French Commercial Code.

4. Resolves that, in accordance with Article L. 225-136 (2) of the French Commercial Code, the share issue price shall be determined in accordance with normal market practices, for example based on the average market closing price calculated over a significant period.

5. Resolves that the Board of Directors may deduct any expenses arising from the issues concerned from additional paid-in capital.

6. Resolves that the Board of Directors shall be fully entitled, with the option of further delegation to the Chief Executive Officer, to implement this authorisation, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities in order to duly complete each capital increase, to formally note completion thereof and to amend the articles of association accordingly.

7. Duly notes that this authorisation shall be without prejudice to the powers granted to the Board of Directors in accordance with the last paragraph of Articles L. 228-92, L. 228-93 and L. 228-94 on issues of securities governed by Article L. 228-91 of said Code, i.e. debt securities giving rights to other debt securities or to existing shares.

8. Duly notes that the aforementioned powers render null and void any previous powers granted for the same purpose.

Sixteenth resolution *(Powers granted to the Board of Directors to issue shares and securities giving access to the Company's share capital by offers to persons specified under Article L. 411-2 (II) of the French Monetary and Financial Code, without preferential subscription rights)*
The Annual General Meeting, having taken note of the Board of Directors' report and the statutory auditors' special report and in accordance with the provisions of Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 228-91 et seq. of the French Commercial Code and Article L. 411-2 (II) of the French Monetary and Financial Code:

1. Grants the Board of Directors, with the option of further delegation to the Chief Executive Officer, the power to decide on one or more capital increases, in France or abroad, by issuing in euros Company ordinary shares or any other securities granting access by any means, immediately and/or in the future, to existing or future ordinary shares in the Company or in a company which directly or indirectly owns more than half of the Company's share capital or in which the Company directly or indirectly owns more than half of the share capital, by a share offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, without shareholder preferential subscription rights, for which subscription may be made either in cash or by offsetting receivables; said shares or securities may also be denominated in foreign currencies or in a monetary unit made up of a basket of currencies.

The authorisation thus granted to the Board of Directors is valid for a maximum twenty-six (26) month term from the date of this Annual General Meeting.

2. a) Resolves that the total nominal value of capital increases to be carried out immediately and/or in the future may not exceed three million euros (€3,000,000) and, with regard to a share offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code, may not exceed, under any circumstances, 20% of the Company's share capital per year, it being specified that this amount shall be deducted from the cap set under 2(a) of the fourteenth resolution.

b) Resolves that the total par value of issues of debt-based securities, relating in particular to bonds, may not exceed forty million euros (€40,000,000), this amount being deducted from the cap specified under paragraph 2(b) of the fourteenth resolution but not from the cap specified under paragraph 2(a) of this resolution.

3. Resolves to waive the shareholders' preferential subscription right to securities which will be issued under an offer specified under Article L. 411-2 (II) of the French Monetary and Financial Code and pursuant to this resolution.

And duly notes that the issue of securities giving access to the share capital entails waiver of the shareholders' preferential subscription rights to equity securities to which the securities issued confer entitlement in accordance with the provisions of Article L. 225-132 of the French Commercial Code.

4. Resolves that, in accordance with Article L. 225-136 (2) of the French Commercial Code, the share issue price shall be determined in accordance with normal market practices, for example based on the average market closing price calculated over a significant period.

5. Resolves that the Board of Directors may deduct any expenses arising from the issues concerned from additional paid-in capital.

6. Resolves that the Board of Directors shall be fully entitled, with the option of further delegation to the Chief Executive Officer, to implement this authorisation, including to determine the terms and conditions of the securities issued, and, generally, to take all measures and perform all required formalities in order to duly complete each capital increase, to formally note completion thereof and to amend the articles of association accordingly.

7. Duly notes that this authorisation shall be without prejudice to the powers granted to the Board of Directors in accordance with the last paragraph of Articles L. 228-92, L. 228-93 and L. 228-94 on issues of securities governed by Article L. 228-91 of said Code, i.e. debt securities giving rights to other debt securities or to existing shares.

8. Duly notes that the aforementioned powers render null and void any previous powers granted for the same purpose.

Seventeenth resolution *(Authorisation for the Board of Directors to increase the number of shares to be issued in the event of over-subscription)*

Subject to the adoption of the fourteenth, fifteenth and sixteenth resolutions, the Annual General Meeting, having noted the Board of Directors' report and the statutory auditors' special report, for each of the issues resolved upon in accordance with these resolutions, authorises the Board of Directors, with the option of further delegation to the Chief Executive Officer, to increase the number of shares to be issued in accordance with Articles L. 225-135-1 and R. 225-118 of the French Commercial Code, and subject to the overall cap provided for under said resolutions, in the event of over-subscription duly noted by the Board of Directors.

The authorisation thus granted to the Board of Directors is valid for twenty-six (26) months from the date of this Annual General Meeting,

Eighteenth resolution *(Authorisation for the Board of Directors to allocate existing or new bonus shares to Group employees and executive officers)*

Having noted the Board of Directors' report and after reading the statutory auditors' special report, pursuant to the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code, the Annual General Meeting:

- authorises the Board of Directors, for a period of thirty-eight (38) months with effect from this Annual General Meeting, on one or more occasions and at its sole discretion, to make bonus allocations of its choice, either of existing Company shares originating from previous purchases or new shares to be issued via a capital increase, to chosen employees and executive officers of the Company or entities related to the Company within the meaning of Article L. 225-197-2 of the French Commercial Code, or to specific categories of employees or executive officers,
- resolves that the total number of new and existing shares allocated as bonus shares pursuant to this authorisation shall not exceed four per cent (4%) of the total shares making up the Company's share capital on the allocation date, plus, where applicable, the par value of any additional new shares issued to safeguard the interests of the beneficiaries during the vesting period or of the shareholders in the event of a lock-in period, in accordance with the statutory or contractual provisions,
- resolves that the shares allocated will only be vested to their beneficiaries after a vesting period to be determined by the Board of Directors, which shall under no circumstances be less than two (2) years,
- resolves that the Board of Directors shall be entitled to extend the vesting period and/or determine a lock-in period, where the total duration of the share vesting period plus, where applicable, the lock-in period shall not be less than two years,
- resolves that the vesting period shall end prematurely if the beneficiary becomes disabled to an extent corresponding to classification in the second or third of the categories specified in Article L. 341-4 of the French Social Security Code,
- resolves that, in the event of the beneficiary's death, their shares shall be vested pursuant to the provisions of Article L. 225-197-3 of the French Commercial Code,

- resolves that the Board of Directors may provide that the shares vested pursuant to this authorisation must be held in registered form for a length of time to be determined by the Board of Directors,
- duly notes that, for new shares to be issued, this authorisation will involve, at the end of the vesting period, increasing the share capital by capitalisation of reserves, profits or additional paid-in capital in favour of the recipients of the said shares and notes that this resolution results in the automatic waiver by the shareholders, in favour of the recipients of the bonus shares, of the portion of reserves, profits or additional paid-in capital that would thus be incorporated into the share capital as well as their preferential subscription rights,
- authorises the Board of Directors to make any necessary adjustments to the number of shares involved in any equity transactions executed during the vesting period in order to maintain the beneficiaries' rights,
- grants full powers to the Board of Directors, with the option of further delegation pursuant to the applicable statutory and regulatory provisions, to exercise this authorisation at its sole discretion, including the power to:
  - set the terms and conditions and, where applicable, the criteria for allocating the shares,
  - set the number of bonus shares to be allocated,
  - determine the identity of the beneficiaries subject to the aforementioned limits, set the number of bonus shares allocated to each one and define the procedures applicable to the share allocations, including vesting periods, any lock-in periods and the rules of the bonus share plan,
  - decide whether, in the event of any equity transactions executed during the allocated shares' vesting period, it is necessary to adjust the number of shares allocated in order to maintain the beneficiaries' rights and, if so, to set the terms of such adjustment,
  - and, more generally, to do all that is necessary for the purposes of implementing this authorisation and its consequences.

The Annual General Meeting duly notes that the aforementioned powers render null and void any previous powers granted for the same purpose.

Nineteenth resolution *(Authorisation to increase the share capital by capitalisation of reserves, profits or additional paid-in capital in the event of an allocation of new bonus shares)*
Having noted the Board of Directors' report and after reading the statutory auditors' special report, the Annual General Meeting delegates full powers to the Board of Directors, with effect from today and for a period of thirty-eight (38) months, in the event of an allocation of new shares pursuant to the foregoing resolution, to set the amount of reserves, profits or additional paid-in capital to be incorporated into the share capital, to record the consequent capital increase(s) carried out within the statutory time limit, to amend the articles of association accordingly and, more generally, to do all that is necessary for the purposes of implementing this authorisation and its consequences.

Twentieth resolution *(Powers granted to the Board of Directors to decide on a capital increase reserved for members of savings plans with waiver of the preferential subscription right in favour of such persons)*
Having noted the Board of Directors' report and after reading the statutory auditors' special report, the Annual General Meeting, in application of the provisions of Article L. 225-129-6 of the French Commercial Code, grants the Board of Directors, with effect from today and for a period of twenty-six (26) months, all powers required, with the option of further delegation to the Chief Executive Officer, to carry out, at its sole discretion, one or more capital increases pursuant to the conditions set forth in Articles L. 3332-18 et seq. of the French Labour Code, at such times as it shall decide, for a maximum total nominal value of three hundred thousand euros (€300,000), reserved for members of a company savings plan in the form of 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 and companies belonging to its Group, as defined in Article L. 225-180 of the French Commercial Code.

The price shall be determined in accordance with the law and, in particular, with the objective methods established for valuing shares. The subscription price shall not be higher than the subscription price thus determined or more than 20% lower than this price (30% when the lock-in period set out in the plan in accordance with Articles L. 3332-25 and 3332-26 of the French Labour Code is 10 years or more); however, the Board of Directors could reduce this discount at its own discretion, in particular should an offer be made to company savings plan members of securities on the international market and/or abroad in order to meet the requirements of local applicable laws.

The Annual General Meeting grants the Board of Directors full powers to implement this authority, and in particular to decide on any capital increases in accordance with the aforementioned conditions, to approve the terms and conditions applicable to such capital increases, and in particular to set the issue price of the shares according to statutory limits and those set out by this Annual General Meeting, to decide upon the opening and closing dates for subscriptions and, generally, to ensure due completion of any transactions which are part of the capital increases and to amend the articles of association accordingly.

The Annual General Meeting duly notes that the aforementioned powers render null and void any previous powers granted for the same purpose.

Twenty-first resolution *(Waiver of preferential subscription rights in favour of employee members of company savings plans)*

Having noted the Board of Directors' report and after reading the statutory auditors' special report, the Annual General Meeting, resolves to cancel the shareholders' preferential subscription right to ordinary shares to be issued subject to the authorisation pursuant to the foregoing resolution, in favour of members of a company savings plan in the form of 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 and the companies belonging to its Group, as defined in Article L. 225-180 of the French Commercial Code.

Twenty-second resolution *(Amendment to Article 24 of the Company's articles of association)*

Having noted the Board of Directors' report , the Annual General Meeting resolves to amend Article 24 of the Company's articles of association on the powers of the Ordinary General Meeting in order to stipulate that the Board of Directors has the power to decide on or authorise the issue of bonds, unless the general meeting resolves to exercise said power, in accordance with statutory provisions. Accordingly, the Annual General Meeting resolves that Article 24 of the Company's articles of association shall henceforth be worded as follows:

"ARTICLE 24 - ORDINARY GENERAL MEETINGS

The Ordinary General Meeting is called to vote on all resolutions that do not involve amendments to the articles of association.

The Ordinary General Meeting meets at least once a year within the applicable statutory and regulatory time periods in order to approve the financial statements for the previous financial year.

In particular, it may approve, make changes to or reject the financial statements submitted to it; vote on the appropriation and distribution of profits in accordance with the provisions of the articles of association; appoint and dismiss Board members and statutory auditors; approve or reject provisional Board member appointments made by the Board of Directors; set the amount of directors' fees allocated to the members of the Board; vote on the statutory auditors' special report on agreements subject to the Board's prior approval; authorise issues of bonds not convertible or exchangeable for shares if it resolves to exercise such power, without prejudice however to the Board's power to decide on or authorise bond issues in accordance with statutory provisions; authorise the establishment of any proprietary security rights granted in their favour.

When convened for the first time, the Ordinary General Meeting is quorate if shareholders present, represented or voting by postal vote hold at least the number of voting shares provided for by law.

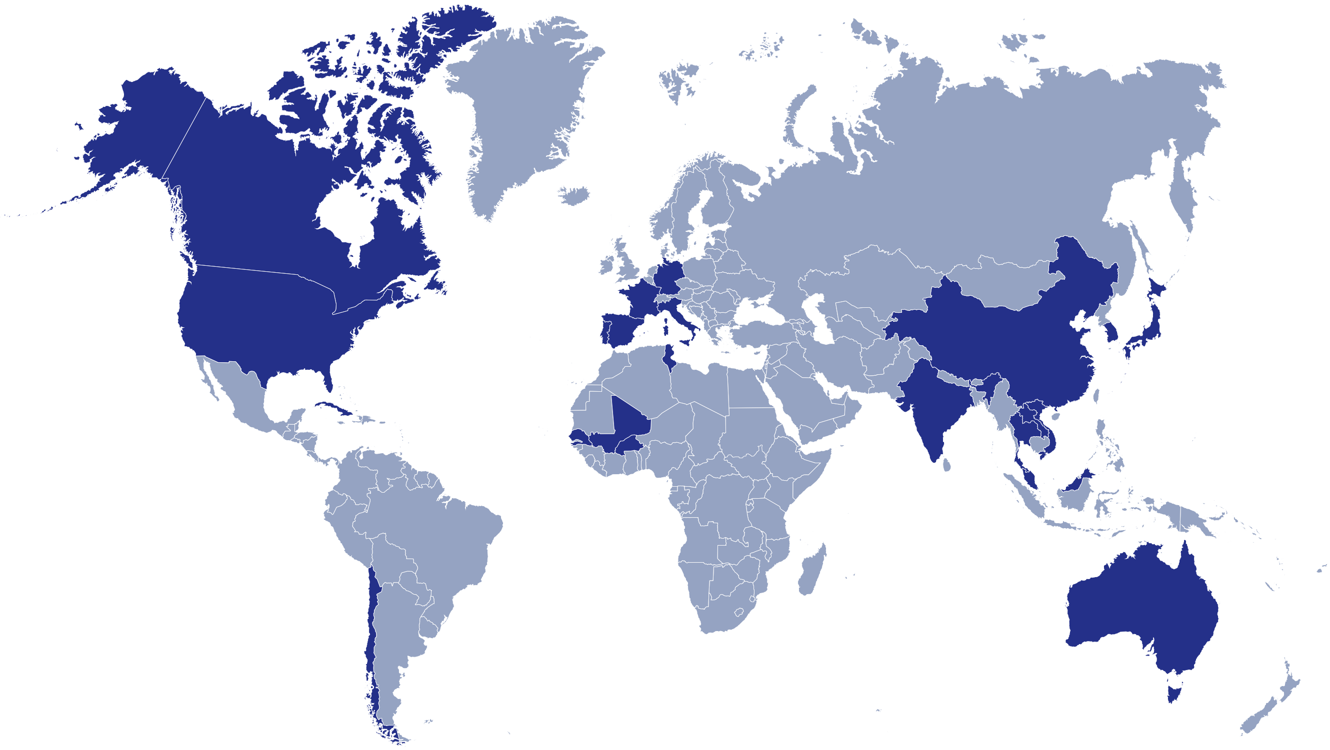
When convened for the second time, no quorum is required.

Resolutions are passed by a majority of votes held by shareholders present, represented or voting by postal vote."

Twenty-third 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.

WHEREVER WE ARE, WE ARE THERE FOR YOU



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NEW YORK - JFK
SANTIAGO - AIRPORT & CITY

EUROPE / AFRICA

ANNECY
BAMAKO
BARCELONA
BOBO DIOULASSO
BORDEAUX
DAKAR
DUSSELDORF
GRENOBLE
LE HAVRE
LILLE
LISBOA
LYON - AIRPORT
LYON - HEAD OFFICE
MADRID
MARSEILLE
MILANO
MULHOUSE
NANTES
PORTO
PARIS - CDG AIRPORT
PARIS - FAIRS & EVENTS
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TOURS
VALENCIA

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CLASQUIN WORLDWIDE HEADQUARTERS
235, cours Lafayette - 69451 Lyon Cedex 06 - France
Tel.: +33 (0)4 72 83 17 00 - Fax: +33 (0)4 72 83 17 17
www.clasquin.com