Half-year financial report

June 30, 2018

ID LOGISTICS GROUP
A French corporation (*société anonyme*) with capital stock of €2,819,987.50
Head office: 55, chemin des Engranauds – 13660 Orgon
AVIGNON Trade & Companies Registry No. 439 418 922

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1 PERSON RESPONSIBLE

1.1 PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

Mr. Eric Hémar, Chairman and CEO of ID Logistics Group.

1.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE DOCUMENT

I hereby certify that, to the best of my knowledge, the summary consolidated financial statements for the six months ended June 30, 2018 were prepared in accordance with applicable accounting standards and give a fair view of the Company's assets and liabilities, financial position and earnings, as well as those of all of its consolidated companies. I also certify that the attached half-year business report presents a fair statement of key events that occurred during the first six months of the year, the impact thereof on the financial statements and the main related party transactions, as well as a description of the main risks and uncertainties to be faced during the remaining six months of the year.

Cavaillon, September 10, 2018

Eric Hémar
Chairman and CEO

2 HALF-YEAR BUSINESS REPORT

The reader is invited to read the following information concerning the Group's financial position and earnings in conjunction with the summary consolidated financial statements for the six months ended June 30, 2018 as set out in Chapter 3 "Summary financial statements" of the half-year financial report.

Given that the figures stated in euro millions in the tables and analyses in this chapter have been rounded, the totals shown do not necessarily equal the sum of the individual rounded figures. Similarly, the sum of the percentages that are based on the rounded figures does not necessarily equal 100%.

In addition to the financial indicators directly presented in the consolidated financial statements, the Group uses a number of alternative performance indicators:

- EBITDA: underlying operating income (EBIT) before net depreciation, amortization and impairment of PP&E and intangible assets
- Net borrowings: gross borrowings plus bank overdrafts less cash and cash equivalents
- Gearing: net borrowings over consolidated equity

2.1 First half highlights

No major events or significant changes in consolidation scope took place during the first half of 2018.

2.2 Consolidated income statement

€m	H1 2018	H1 2017
Revenues	680.4	658.3
Purchases and external charges	(384.9)	(365.0)
Staff costs	(262.7)	(265.3)
Miscellaneous taxes	(7.6)	(7.4)
Other underlying income (expenses)	0.4	0.5
Net (increases) write-backs to provisions	1.9	2.3
Net depreciation/impairment	(12.6)	(13.6)
EBIT before amortization of acquired customer relations	14.9	9.8
Amortization of acquired customer relations	(0.6)	(0.6)
Non-recurring expenses	-	(3.2)
Operating income	14.3	5.9
Net financial items	(2.3)	(2.6)
Corporate income tax	(4.7)	(2.7)
Share of earnings of equity affiliates	0.2	0.1
Total consolidated net income	7.4	0.7
Of which minority interests	1.4	0.8
Of which Group share	6.0	(0.1)

First half 2018 consolidated revenues came in at €680.4 million, up 3.4% on first half 2017. At constant exchange rates (like-for-like), revenues rose by 6.1%. Revenues break down as follows:

€m	H1 2018	H1 2017
France	330.6	309.6
International	349.8	348.7
Total revenues	680.4	658.3

In France, revenues amounted to €330.6 million, up 6.8% over H1 2017. These results were primarily driven by the full-year impact of new business in 2017 and by favorable price/volume variance under existing contracts.

International revenues increased to €349.8 million, up 0.3% over H1 2017. After adjustments for currency losses, like-for-like growth came to 5.4%. As in France, this growth was mostly driven by the full-year impact of new contracts started in 2017.

First half 2018 purchases and external charges amounted to €384.9 million, up from €365.0 million in first half 2017. Purchases and external charges as a percentage of revenues increased from 55.4% to 56.6%, mainly due to an increase in real estate costs paid directly by the Group under recent contracts. These costs are passed on to the customer as part of the service. It can also be explained, to a lesser extent, by an increased use of temporary staff for new contracts in countries including Poland, Russia and the Netherlands.

First half 2018 staff costs amounted to €262.7 million, down from €265.3 million in first half 2017. As a percentage of revenues, staff costs decreased from 40.3% to 38.6%. As stated above, this decrease in staff costs in proportion to revenues is due to increased productivity at the sites launched over the past two years and the reorganization measures undertaken in Spain since the acquisition of Logiters in late 2016.

Miscellaneous taxes remained stable at 1.1% of revenues.

As in first half 2017, other income and expenses were close to zero for the first half of 2018.

Net provision write-backs mainly correspond to expenses recognized under purchases and external charges or staff costs.

First half 2018 depreciation amounted to 1.9% of revenues, compared to 2.1% in first half 2017. This decrease is due to the fact that operating capital expenditure increased more slowly than revenues over the preceding quarters.

The table below shows the impact of these changes on EBIT margins before amortization of customer relations:

€m	H1 2018	H1 2017
France	11.8	7.0
EBIT margin (% revenues)	*3.6%*	*2.3%*
International	3.1	2.8
EBIT margin (% revenues)	*0.9%*	*0.8%*
Total	14.9	9.8
EBIT margin (% revenues)	*2.2%*	*1.5%*

First half 2018 EBIT before amortization of customer relations amounted to €14.9 million, generating an EBIT margin of 2.2%, up 52% compared to first half 2017.

- In France, the EBIT margin, which had been impacted by the large number of new site launches carried out since mid-2016 and early 2017, rebounded strongly in accordance with the Group's business model of gradually increasing productivity at new sites. This improvement, coupled with tight control of 2018 start-ups, largely offset the investments made in 2017 in structural costs to support growth.
- The international EBIT margin, which increased sharply in the second half of 2017, continued to improve over the first half of 2018, despite highly unfavorable currency movements and the adverse impact of May's general strike in Brazil.

Amortization charges for acquired customer relations were stable compared to the previous year.

There are no non-recurring expenses for the first half of 2018. First half 2017 expenses included severance payments resulting from the Logiters integration and the impact of structural cost streamlining in Spain and Portugal.

The Group posted net financial expenses of €2.3 million for the first six months of 2018, down from €2.6 million in H1 2017. Net cost of debt came to €1.9 million compared to €2.2 million in first half 2017. The decrease is in line with the reduction in net borrowings and the first debt repayments related to the late 2016 Logiters acquisition. Other financial items mainly included a net discounting expense (primarily related to pension liabilities) and were stable compared to H1 2017.

Corporate income tax includes the French "CVAE" tax on business value added, which amounted to €2.9 million in H1 2018, up from €2.6 million in H1 2017 in line with the improvement in earnings in France. Excluding CVAE, the first half 2018 corporate income tax charge amounted to €1.8 million based on a Group effective tax rate of 20%, down from 25% in H1 2017.

As in H1 2017, Group share of earnings of equity affiliates was just above break-even in H1 2018.

Following the above items, first half 2018 consolidated net income amounted to €7.4 million, showing a sharp increase from €0.7 million in the first half of 2017.

2.3 Consolidated cash flow statement

€m	H1 2018	H1 2017
Net income	7.4	0.7
Net depreciation, impairment and provisions	11.6	13.5
Capital gains and losses on sale of assets	-	(0.4)
Tax charge net of tax credit/(paid)	0.9	(1.2)
Net financial expenses on financing activities	1.9	2.2
Share of undistributed earnings of equity affiliates	(0.2)	(0.1)

Change in working capital	8.8	(3.7)
Net cash flow from (used by) operating activities	30.4	11.0
Net cash flow from investing activities	(23.2)	(14.8)
Net borrowings taken out (repaid)	(2.2)	(8.3)
Net financial expenses on financing activities	(1.9)	(2.2)
Treasury stock transactions	0.0	(0.2)
Share issue	2.6	0.4
Minority interest dividends	-	-
Net cash flow from financing activities	(1.5)	(10.3)
Exchange gains (losses)	(0.1)	(1.0)
Change in net cash and cash equivalents	5.7	(15.1)
Opening net cash and cash equivalents	90.1	89.0
Closing net cash and cash equivalents	95.8	73.9

Net cash flow from operating activities

First half 2018 net cash flow from operating activities amounted to a €30.4 million inflow, a marked improvement on the €11.0 million inflow recorded in H1 2017.

- Before changes in working capital, first half 2018 cash flow from operating activities amounted to €21.6 million, compared to €14.7 million in first half 2017. This increase is in line with the change in operating income before depreciation/amortization.
- The first half 2018 change in working capital represented a €8.8 million cash inflow compared to a €3.7 million cash outflow in H1 2017.
    - Operating working capital (i.e. inventories, trade receivables and payables) was positive and increased by €17.6 million over first half 2018, compared to a €9.2 million increase in H1 2017, in line with business growth. Operating working capital represented the equivalent of 10 days of revenues as of June 30, 2018, stable compared to June 30, 2017.
    - Non-operating working capital (other receivables, other payables and tax and social security payables) was negative and increased by €26.5 million during first half 2018, compared to a €5.5 million increase in H1 2017. The increase in the first half of 2017 included the payment of outstanding alcohol duties and taxes in relation to the termination of a contract. The first half 2018 improvement is mainly due to the absence of this payment.

Net cash flow from investing activities

First half 2018 net cash flow from investing activities amounted to a €23.2 million outflow, compared to a €14.8 million outflow in H1 2017:

- this includes the balance of "non-operating" capital expenditure incurred in the second half of 2017 for the new Group ERP system deployed in January 2018 (€1.2 million for the period) and the new head office occupied by the Group and France teams since July 2018 (€5.2 million for the period);
- adjusted for these amounts, "operating" capex came to €16.8 million for the first half of 2018 compared to €14.8 million over the first six months of 2017, entailing a slight increase from 2.2% of revenues in H1 2017 to 2.5%.

Net cash flow from financing activities

Total first half 2018 net cash flow from financing activities represented a €1.5 million outflow compared to a €10.3 million outflow in first half 2017.

- Net repayments of borrowings decreased from €8.3 million in H1 2017 to €2.2 million: the planned increase in half-yearly installments under the Logiters acquisition loan agreement, in line with the repayment schedule (€12.6 million compared to €5.6 million for the first year of repayment) was offset by the drawdown on the €20 million revolving credit facility since October 2017 and again in first half 2018.
- As stated above, H1 2018 net financial expenses fell to €1.9 million.
- Treasury stock transactions were undertaken in conjunction with the Group's liquidity contract, while share issues resulted from the exercise of equity warrants and similar instruments.

After accounting for all of these factors and exchange gains and losses, Group net cash increased by €5.6 million to €95.8 million during the first half of 2018, compared to a €15.1 million decrease in H1 2017.

2.4 Consolidated balance sheet

€m	6/30/2018	12/31/2017
Non-current assets	302.7	295.0
Trade receivables	244.6	226.0
Trade payables	(201.9)	(199.0)

Tax and social security payables	(147.0)	(137.1)
Other net receivables (payables) and provisions	25.5	40.8
Working capital	(78.8)	(69.3)
Net borrowings	54.8	63.4
Shareholders' equity, Group share	159.3	153.7
Minority interests	9.8	8.6
Shareholders' equity	169.1	162.3

Non-current assets rose slightly compared to December 31, 2017 given that capital expenditure exceeded depreciation/amortization charges during the period.

The Group posted negative net working capital of €78.8 million as of June 30, 2018, up €9.5 million on December 31, 2017. At June 30, 2018, working capital represented 23 days of revenues, an improvement compared to December 31, 2017 (20 days).

Group borrowings can be broken down as follows:

(€m)	6/30/2018	31/12/2017
Acquisition bank loan	88.2	100.8
Revolving credit facility	20.0	20.0
Asset finance leases	17.4	16.2
Other borrowings	25.0	16.5
Gross borrowings	150.6	153.5
Net cash and cash equivalents	95.8	90.1
Net borrowings	54.8	63.4

In conjunction with the Logiters acquisition and the refinancing of the balance of the CEPL acquisition loan, in August 2016 the Group took out a bank loan initially amounting to €112.0 million repayable over five years.

This loan is subject to the following bank covenant: as of June 30 and December 31 every year, net borrowings over underlying EBITDA must be less than 2.5. As of June 30, 2018, this ratio was in compliance.

Outstanding finance leases and other borrowings as of June 30, 2018 mainly related to warehouse plant and equipment (including fork-lift trucks, information systems, surveillance and access control and other equipment).

As of June 30, 2018, almost all of the Group's borrowings (in the form of bank loans or finance leases) apply to the French companies. After interest rate hedges, 52% of the Group's borrowings are subject to floating interest rates.

Shareholders' equity amounted to €169.1 million, an increase since December 31, 2017.

2.5 Recent developments and outlook

- Seasonal factors
  Although Group revenues are not subject to major seasonal fluctuations, second half revenues tend to be slightly higher than first half revenues in view of the Group's customer typology and growth profile, and excluding the impact of major discontinued operations.
  However, first half revenues tend to be more volatile in terms of volumes with larger swings between business peaks and lows than in the second half. This volatility is reflected in lower operational productivity, and first half EBIT is generally lower than in the second half.

- Impact of new contract start-ups
  Seasonal variations may be impacted by new contracts, which tend to generate losses in the first year of operation. Accordingly, new contracts started in 2016, particularly during the second half, had an impact on underlying EBIT during the first half of 2017.

2.6 Main risks and uncertainties

The Group's main risks and uncertainties as specified under Chapter 2 of the Registration Document filed with the *Autorité des Marchés Financiers* (French financial markets regulator) on April 20, 2018 have not materially changed at June 30, 2018.

3 SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(€000)	Notes	H1 2018	H1 2017
Revenues		**680,393**	**658,274**
Purchases and external charges		(384,909)	(364,982)
Staff costs		(262,678)	(265,313)
Miscellaneous taxes		(7,591)	(7,381)
Other underlying income (expenses)		401	458
Net (increases) write-backs to provisions		1,902	2,339
Net depreciation/impairment		(12,589)	(13,570)
EBIT before amortization of customer relations		**14,929**	**9,825**
Amortization of acquired customer relations		(644)	(644)
Non-recurring income (expenses)			(3,238)
Operating income		**14,285**	**5,944**
Financial income	Note 9	269	650
Financial expenses	Note 9	(2,599)	(3,323)
Group income before tax		**11,955**	**3,270**
Corporate income tax	Note 10	(4,737)	(2,755)
Share of earnings of equity affiliates		193	148
Total consolidated net income		**7,411**	**663**
Of which minority interests		1,411	831
Of which Group share		6,000	(168)

Earnings per share, Group share			
Basic EPS (€)	Note 11	1.07	(0.03)
Diluted EPS (€)	Note 11	1.01	(0.03)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€000)	H1 2018	H1 2017
Total consolidated net income	**7,411**	**663**
Post-tax pension provision discounting income (charge)	(284)	(309)
Other comprehensive income not reclassified to the income statement	**(284)**	**(309)**
Post-tax exchange differences	(2,976)	(1,049)
Other post-tax items	102	188
Other comprehensive income that may be reclassified to the income statement, net of tax	**(2,874)**	**(861)**
Comprehensive net income (loss)	**4,253**	**(507)**
Minority interests	1,201	723
Group share	3,052	(1,229)

CONSOLIDATED BALANCE SHEET

(€000)	Notes	6/30/2018	12/31/2017
Goodwill	Note 1	172,659	172,659
Intangible assets	Note 1	19,028	18,959
Property, plant and equipment	Note 2	87,575	79,289
Investments in equity affiliates		1,231	1,037
Other non-current financial assets		11,338	10,816
Deferred tax assets		10,854	12,285
Non-current assets		**302,685**	**295,045**
Inventories		190	131
Trade receivables	Note 3	244,576	225,952
Other receivables	Note 3	50,013	51,659
Other current financial assets		21,696	38,430
Cash and cash equivalents	Note 4	96,070	90,147
Current assets		**412,545**	**406,319**

Total assets		**715,230**	**701,364**
Capital stock	Note 5	2,820	2,801
Additional paid-in capital	Note 5	57,241	54,684
Exchange differences		(11,643)	(8,857)
Consolidated reserves		104,855	88,865
Net income for the year		6,000	16,149
Shareholders' equity, Group share		**159,273**	**153,642**
Opening minority interests		10,182	8,013
Exchange differences - minority interests		(1,754)	(1,565)
Net income - minority interests		1,411	2,191
Minority interests		**9,839**	**8,639**
Shareholders' equity		**169,112**	**162,281**
Borrowings (due in over 1 yr)	Note 6	90,209	94,194
Long-term provisions	Note 7	20,714	20,298
Deferred tax liabilities		77	11
Non-current liabilities		**111,000**	**114,503**
Short-term provisions	Note 7	9,538	9,961
Borrowings (due in less than 1 yr)	Note 6	60,380	59,329
Other current financial liabilities		-	-
Bank overdrafts	Note 4	296	30
Trade payables	Note 8	201,923	199,010
Other payables	Note 8	162,981	156,250
Current liabilities		**435,118**	**424,580**
Total liabilities and shareholders' equity		**715,230**	**701,364**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€000)	**Note**	**H1 2018**	**H1 2017**
Net income		7,411	663
Net depreciation, impairment and provisions		11,571	13,471
Fair value adjustments on financial instruments		-	-
Share of undistributed earnings of equity affiliates		(194)	(148)
Capital gains or losses on the sale of fixed assets		-	(360)
Change in working capital	Note 12	8,831	(3,694)
Net cash flows from operating activities after net cost of debt and tax		**27,619**	**9,932**
Corporate income tax	Note 10	4,737	2,755
Net financial expenses on financing activities	Note 9	1,939	2,244
Net cash flows from operating activities before net cost of debt and tax		**34,295**	**14,931**
Tax paid		(3,887)	(3,911)
Net cash flow from operating activities		**30,408**	**11,020**
Purchase of intangible assets and PP&E	Notes 1-2	(23,055)	(15,976)
Purchase of financial assets		(1,279)	(781)
Fixed asset payables		-	-
Sale of intangible assets and PP&E		536	843
Sale of financial assets		642	1,085
Net cash flow from investing activities		**(23,156)**	**(14,829)**
Net financial expenses on financing activities	Note 9	(1,939)	(2,244)
Loans received		24,998	7,460
Loan repayments		(27,093)	(15,808)
Treasury stock transactions		2	(214)
Minority interest dividends		-	-
Share issue		2,577	479
Net cash flow from financing activities		**(1,455)**	**(10,327)**
Exchange gains (losses)		(140)	(941)
Change in net cash and cash equivalents		**5,657**	**(15,077)**
Opening net cash and cash equivalents	Note 4	90,117	88,978
Closing net cash and cash equivalents	Note 4	95,774	73,901

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€000)	Capital stock	Additional paid-in capital	Consolidation reserves	Exchange differences	Shareholders' equity, Group share	Minority interests	Total consolidated shareholders' equity
January 1, 2017	**2,795**	**53,841**	**88,205**	**(6,518)**	**138,323**	**7,089**	**145,412**
H1 2017 net income	-	-	(168)	-	(168)	831	663
Gains and losses posted to shareholders' equity	-	-	(106)	(956)	(1,062)	(108)	(1,170)
Treasury shares	-	-	(214)	-	(214)	-	(214)
Share issue	3	476	-	-	479	-	479
June 30, 2017	**2,798**	**54,317**	**87,717**	**(7,474)**	**137,358**	**7,812**	**145,170**
H2 2017 net income	-	-	16,317	-	16,317	1,360	17,677
Gains and losses posted to shareholders' equity	-	-	948	(1,383)	(435)	(16)	(451)
Distribution of dividends	-	-	-	-	-	(517)	(517)
Treasury shares	-	-	32	-	32	-	32
Share issue	3	367	-	-	370	-	370
December 31, 2017	**2,801**	**54,684**	**105,014**	**(8,857)**	**153,642**	**8,639**	**162,281**
H1 2018 net income	-	-	6,000	-	6,000	1,411	7,411
Gains and losses posted to shareholders' equity	-	-	(161)	(2,786)	(2,947)	(211)	(3,158)
Treasury shares	-	-	2	-	2		2
Share issue	19	2,557	-	-	2,576	-	2,576
June 30, 2018	**2,820**	**57,241**	**110,855**	**(11,643)**	**159,273**	**9,839**	**169,112**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

ID Logistics Group SA is a *société anonyme* (French corporation) subject to French law with head office located at 55, chemin des Engranauds 13660 Orgon. ID Logistics Group SA and its subsidiaries (hereinafter the "Group") operate a logistics business in France and around ten other countries.

The Group consolidated financial statements for the six months ended June 30, 2018 were approved by the Board of Directors on August 29, 2018. Unless otherwise indicated, they are presented in thousands of euros.

There were no major seasonal fluctuations in revenues during the period ended June 30, 2018.

2 Basis for the preparation and presentation of the consolidated financial statements

2.1 Interim financial statements

Pursuant to European Regulation 1606-2002, the ID Logistics Group condensed consolidated interim financial statements for the six months ended June 30, 2018 were prepared in accordance with IAS 34 – Interim financial reporting. Since these financial statements are condensed, they do not contain all disclosures required under IFRS and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2017 available online at id-logistics.com.

The accounting principles adopted for the preparation of the condensed consolidated interim financial statements comply with the IFRS standards and interpretations adopted by the European Union as of June 30, 2018, which may be viewed on the website:
http://ec.europa.eu/finance/company-reporting/index_en.htm.

These accounting principles are consistent with those used for the preparation of the annual consolidated financial statements for the year ended December 31, 2017, which are presented in Note 2 to the 2017 consolidated financial statements, except for the items presented in paragraph 2.2 below – Change in accounting principles.

The valuation methods specific to the condensed consolidated interim financial statements are as follows:

- The interim period tax charge results from the estimated annual Group effective rate applied to the pre-tax interim earnings excluding material non-recurring items. This estimated annual effective rate takes into consideration, in particular, the expected impact of tax planning transactions. The tax charge relating to any non-recurring items of the period is accrued using its specific applicable taxation;

- Stock-based compensation and staff benefit costs are recorded for the period in proportion to their estimated annual costs.

2.2 Change in accounting principles

2.2.1 New compulsory standards, amendments and interpretations adopted by the European Union for fiscal 2018

The following standards, amendments and interpretations, which are compulsory as of January 1, 2018, have no material impact on the financial statements:

- IFRS 9 – Financial instruments;
- IFRS 15 – Revenue from contracts with customers;
- Amendments to IFRS 2 – Classification and measurement of share-based payment transactions;
- IFRIC 22 – Foreign currency transactions and advance consideration;
- Annual improvements (2014-2016 cycle).

2.2.2 New standards, amendments and interpretations not compulsory for fiscal 2018

The Group has not applied in advance the following standards and amendments:

- IFRS 16 – Leases;
- Amendments to IFRS 9 - Prepayment features with negative compensation;
- Amendments to IAS 28 - Investments in associates and joint ventures;
- Amendments to IAS 19 - Plan amendment, curtailment or settlement;
- Annual improvements (2015-2017 cycle);
- IFRIC 23 – Uncertainty over income tax treatments.

The Group is currently analyzing the consequences of these new standards, amendments and interpretations and the impact of their application on the financial statements.

3 HIGHLIGHTS

No changes in consolidation took place during the first half of 2018.

4 SEGMENT INFORMATION

Pursuant to IFRS 8 – Operating segments, the information below for each operating segment is identical to that presented to the chief operational decision-maker for purposes of deciding on the allocation of resources to the segment and assessing its performance.

An operating segment is a distinct component of the Group:

- that engages in business activities from which it may earn revenues and incur expenses,
- whose operating results are reviewed regularly by the entity's chief operational decision-maker in order to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

The Group's chief operational decision-maker has been identified as the Chairman and CEO and the Deputy CEO, who jointly take strategic decisions.

The Group's two operating segments are France and International, determined in accordance with IFRS 8.

The France segment is made up of subsidiaries with head offices in continental France.

The International segment is made up of subsidiaries with head offices in the following countries: Argentina, Belgium, Brazil, China, Germany, Indonesia, Morocco, the Netherlands, Poland, Portugal, Réunion, Romania, Russia, South Africa, Spain and Taiwan.

Fixed assets are operating assets used by a segment for operational purposes. They include goodwill, intangible assets and property, plant and equipment. They do not include current assets used for operational purposes, deferred tax assets/liabilities or non-current financial assets.

Segment information, as presented to the chief decision-makers relating to continuing operations, is as follows:

	H1 2018 (6/30/2018)			H1 2017 (6/30/2017)		
	France	**International**	**Total**	**France**	**International**	**Total**
Revenues	331,868	350,116	**681,984**	311,040	348,913	**659,953**
Inter-segment revenues	(1,225)	(366)	**(1,591)**	(1,403)	(276)	**(1,679)**
Net revenues	**330,643**	**349,750**	**680,393**	**309,637**	**348,637**	**658,274**
EBIT before amortization of customer relations	11,821	3,108	**14,929**	7,032	2,793	**9,825**
Operating income	11,552	2,733	**14,285**	6,584	(640)	**5,944**
Net cash flow from operating activities	32,140	(1,732)	**30,408**	6,490	4,530	**11,020**
Capital expenditure	10,508	12,547	**23,055**	9,299	6,677	**15,976**
Fixed assets	137,906	141,356	**279,262**	138,113	135,616	**273,729**
Headcount	6,090	12,177	**18,267**	5,847	12,210	**18,057**

5 NOTES RELATING TO THE BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AND CHANGES THERETO

5.1 Balance sheet notes

Note 1: Goodwill and intangible assets

	Goodwill	Software	Customer relations & other	TOTAL
Gross:				
January 1, 2018	172,659	17,542	19,974	210,175
Acquisitions	-	2,586	1,145	3,731
Disposals	-	-	(15)	(15)
Other (reclassification, changes in consolidation etc.)	-	-		-
Exchange gains (losses)	-	(56)	(327)	(383)
June 30, 2018	172,659	20,072	20,777	213,508
Cumulative amortization and impairment				
January 1, 2018	-	10,663	7,894	18,557
Amortization charge	-			-
Impairment	-	1,345	2,193	3,538
Disposals	-	-	(3)	(3)
Other (reclassification, changes in consolidation etc.)	-	-	-	-
Exchange gains (losses)	-	(31)	(240)	(271)
June 30, 2018	-	11,977	9,844	21,821
Net:				
June 30, 2018	172,659	8,095	10,933	191,687

The net book value of goodwill, customer relations, other intangible assets and investments in equity affiliates is reviewed at least once a year and when events or circumstances indicate that a loss in value may have taken place. Such events or circumstances are related to material adverse changes of a permanent nature that impact either the economic environment or the assumptions or objectives adopted as of the date of acquisition. An impairment charge is recorded when the recoverable value of the assets tested falls permanently below their net book value.

As of June 30, 2018, the Group reviewed the impairment indicators that could lead to a reduction in the net book value of goodwill and investments in equity affiliates. No indication of loss in value was identified.

Note 2: Property, plant and equipment

	Land and buildings	Plant and equipment	Other fixed assets	Fixed assets in progress	TOTAL
Gross:					
January 1, 2018	24,685	62,216	46,340	10,551	143,792
Acquisitions	357	5,864	8,178	4,925	19,324
Disposals	(29)	(351)	41	(467)	(806)

Change in consolidation	-	-	-	-	-
Exchange gains (losses)	(1,016)	(1,291)	(928)	(8)	(3,243)
Reclassification	-	467	-	(467)	-
June 30, 2018	23,997	66,905	53,631	14,534	159,067
Cumulative depreciation and impairment:					
January 1, 2018	9,189	37,009	18,295	10	64,503
Depreciation charge	1,549	3,778	4,368	-	9,695
Impairment	-	-	-	-	-
Disposals	(24)	(124)	(134)		(282)
Change in consolidation	-	-	-	-	-
Exchange gains (losses) and reclassification	(477)	(1,358)	(589)		(2,424)
June 30, 2018	10,237	39,305	21,940	10	71,492
Net:					
June 30, 2018	13,760	27,600	31,691	14,524	87,575

Note 3: Trade and other current receivables

	6/30/2018	12/31/2017
Trade receivables	248,286	229,308
Impairment provisions	(3,710)	(3,356)
Total trade receivables – net	**244,576**	**225,952**
Tax and social security receivables	34,532	43,115
Prepaid expenses	15,481	8,544
Total other receivables - net	**50,013**	**51,659**

Note 4: Net cash and cash equivalents

	6/30/2018	12/31/2017
Cash and cash equivalents	96,070	90,147
Bank overdrafts	(296)	(30)
Net cash and cash equivalents	**95,774**	**90,117**

Group cash and cash equivalents of €95,774,000 at June 30, 2018 comprise cash, sight bank deposits and €2,468,000 in money-market investments.

Note 5: Issued capital stock and additional paid-in capital

	Additional paid-in capital (€)	Value (€)	Number of shares
January 1, 2018	**54,684,017**	**2,801,188**	**5,602,375**
Exercise of founders' warrants	1,631,760	12,000	24,000
Exercise of redeemable equity warrants (BSAR)	925,208	6,800	13,600
June 30, 2018	**57,240,985**	**2,819,988**	**5,639,975**

The Group has a single class of shares of common stock that entitle stockholders to the same dividend.

Note 6: Financial liabilities

	6/30/2018	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Current borrowings				
Bank loans	50,796	50,796		
Finance leases	4,306	4,306		
Factoring	5,193	5,193		
Other borrowings	85	85		
Total current borrowings	**60,380**	**60,380**		
Non-current borrowings				

Bank loans	77,138		77,138	
Finance leases	13,071		12,571	500
Total non-current borrowings	**90,209**		**89,709**	**500**
Total borrowings	**150,589**	**60,380**	**89,709**	**500**

Breakdown of borrowings by interest rate and currency	Amount	Currency	Rate
Loan	112,628	EUR	Floating
Loan	9,001	EUR	Fixed
Loan	1,558	CNY	Fixed
Loan	900	PLN	Floating
Loan	3,847	BRL	Floating
Factoring	5,193	EUR	Floating
Finance leases	535	BRL	Fixed
Finance leases	277	ARS	Fixed
Finance leases	1,360	PLN	Fixed
Finance leases	15	ZAR	Fixed
Finance leases	15,190	EUR	Fixed
Other payables	85	EUR	Fixed
Total	**150,589**		

Note 7: Provisions

	Social security and tax risks	Operating risks	Employee benefits	Total
January 1, 2018	**4,156**	**5,805**	**20,298**	**30,259**
Charges	1,429	1,084	646	3,159
Write-backs used	(1,255)	(2,806)	(290)	(4,351)
Write-backs not used	(87)	(432)	-	(519)
Other (consolidation, currency, reclassification etc.)	(162)	1,806	60	1,704
June 30, 2018	**4,081**	**5,457**	**20,714**	**30,252**
Of which current provisions	4,081	5,457	-	9,538
Of which non-current provisions	-	-	20,714	20,714

The provisions for operating risks primarily relate to disputes with customers, lessors, etc.

Note 8: Trade and other payables

	6/30/2018	12/31/2017
Trade payables	**201,923**	**199,010**
Tax and social security payables	147,028	137,056
Advances and payments on account received	6,638	8,127
Other current payables	3,721	3,896
Deferred income	5,594	7,171
Total other payables	**162,981**	**156,250**

Trade and other payables all fall due in less than one year except for some deferred income which is amortized over the term of the customer contracts.

6.2 Income statement notes

Note 9: Net financial items

	H1 2018	H1 2017
Interest and related financial income	266	650
Interest and related financial expenses	(2,205)	(2,894)
Net financial expenses on financing activities	**(1,939)**	**(2,244)**
Discounting of balance sheet accounts	(147)	(120)
Other financial expenses	(245)	(309)
Net other financial expenses	**(392)**	**(429)**

Total	**(2,330)**	**(2,673)**

Interest and related expenses largely relate to bank loans, finance lease liabilities and bank overdrafts.

Note 10: Corporate income tax

	H1 2018	H1 2017
Net current tax (charge)/income	(1,804)	(173)
Tax on business value added (CVAE)	(2,933)	(2,582)
Total	**(4,737)**	**(2,755)**

Note 11: Earnings per share

The average number of shares during the period was as follows:

(no.)	H1 2018	H1 2017
Average number of shares in issue	5,620,808	5,590,631
Average number of treasury shares	(6,249)	(5,956)
Average number of shares	**5,614,559**	**5,584,675**
Founders' warrants	-	26,000
Equity warrants	363,701	343,091
Average number of diluted shares	**5,978,260**	**5,953,766**

6.3 Other information

Note 12: Change in working capital

	H1 2018	H1 2017
Change in inventories	(59)	12
Change in trade receivables	(23,583)	(3,432)
Change in trade payables	6,020	(5,756)
Change in operating working capital	**(17,622)**	**(9,176)**
Change in other receivables	18,196	17,580
Change in other payables	8,257	(12,098)
Change in non-operating working capital	**26,453**	**5,482**
Change in working capital	**8,831**	**(3,694)**

Note 13: Transactions with related parties

Transactions conducted between the Group and affiliated companies on an arm's length basis were as follows:

Company	Type of relationship	Transaction type	Income (expense)		Balance sheet asset or (liability)	
			H1 2018	H1 2017	6/30/2018	6/30/2017
Comète	Joint director	Services provided	(275)	(225)	(217)	(422)
Financière ID	Joint shareholder	Real estate leases - Services provided	(236)	128	130	153
SAS Logistics II	Joint shareholder	Services provided		22		8
SCI Les Cocotiers	Joint shareholder	Real estate leases	(77)		(53)	
SCI Les Citronniers	Joint shareholder	Real estate leases	(79)		(55)	

Transactions with equity affiliates, which are concluded on an arm's length basis, related to ongoing administrative services and in total are not material in relation to the Group's business.

Note 14: Directors' remuneration

The Chairman of the Board of Directors does not receive any remuneration from the Group. He receives remuneration from Comète, in which he holds a 95.97% equity stake, and which has signed services agreements with various Group subsidiaries. The services specified in these agreements include management related to strategy and business development.

The amounts of the aforementioned services are specified under Note 13.

Gross remuneration of other Board members

	H1 2018	H1 2017
Expense type		
Total gross remuneration	509	276
Post-employment benefits	-	-
Other long-term benefits	-	-
Severance pay	-	-

Note 15: Commitments and contingencies

The Group's signed commitments at the balance sheet date were as follows:

	6/30/2018	6/30/2017
Commitments given		
Real estate leases	226,545	246,699
Plant and equipment leases	72,927	60,171
Parent company guarantees *	22,152	10,652
Borrowings subject to covenants	88,200	106,400
Commitments received		
Bank guarantees	24,777	23,436

** The parent company guarantees above do not include guarantees given for leasing commitments or for debt with covenants, which are described on the corresponding lines.*

Commitments given in relation to real estate and plant and equipment leases were as follows:

	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years	Total
June 30, 2018				
Real estate leases	74,965	137,091	14,489	226,545
Plant and equipment leases	29,265	43,466	196	72,927

At June 30, 2018, undrawn lines of credit amounted to €15,300,000 in respect of finance leases and €25,000,000 in respect of credit facilities.

Note 17: Post balance sheet events

By decision dated May 23, 2018, the Board of Directors decided to transfer the head office from 410 route du Moulin de Losque - 84300 Cavaillon to 55 chemin des Engranauds – 13660 Orgon, effective as of July 1, 2018.

4 STATUTORY AUDITORS' REPORT

"To the Shareholders,

Pursuant to our engagement by the shareholders' general meeting and Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- performed a limited review of the summary consolidated financial statements of ID LOGISTICS GROUP covering the period from January 1 to June 30, 2018, as enclosed hereto, and
- verified the information given in the half-year business report.

The summary consolidated interim financial statements have been prepared under the responsibility of the Board of Directors. Our responsibility is to express our opinion on these financial statements on the basis of our limited review.

I – Opinion on the financial statements

We have conducted our limited review in accordance with professional standards applicable in France. A limited review consists primarily of making inquiries of the members of the management responsible for accounting and financial matters and applying analytical procedures. The work is of limited scope compared to the work required for an audit performed in accordance with auditing standards applicable in France. Accordingly, the assurance under a limited review that the financial statements, taken as a whole, are free from material misstatement, is moderate and less than that obtained under a full audit scope.

On the basis of our limited review, we did not identify any material misstatements that cause us to believe that the summary consolidated interim financial statements have not been prepared in accordance with IAS 34 – Interim financial reporting, as included in the IFRS standards adopted by the European Union.

II – Specific testing

We have also verified the information provided in the half-year business report commenting on the summary consolidated interim financial statements on which we performed our limited review.

We have no comments on the report's fairness and its consistency with the summary consolidated interim financial statements.

Lyon and Paris-La Défense, September 10, 2018

The Statutory Auditors

Grant Thornton

Françoise Mechin

Deloitte & Associés

Benjamin Haziza Joël Assayah"