ID LOGISTICS GROUP

A French corporation (*société anonyme*) with capital stock of €2,821,237.50
Head office: 55, chemin des Engranauds – 13660 Orgon – France
439 418 922 RCS TARASCON
LEI No. 969500U1DQN70VMJ9P45

2018
Registration Document
including the annual financial report

This is a free English translation of the Registration Document issued in French and is provided solely for the convenience of English-speaking readers.

This Registration Document was filed with the *Autorité des Marchés Financiers* (AMF - French financial markets authority) on April 17, 2019, in accordance with Article 212-13 of its General Regulation. This document may be used for the purposes of a financial transaction if accompanied by a securities note certified by the AMF.

It was drawn up by the issuer and entails the responsibility of its signatories.

Copies of this document are available free of charge at the ID Logistics Group head office at 55, Chemin des Engranauds, 13660 Orgon, and in electronic format on the AMF website (www.amf-france.org) and on the Company website (www.id-logistics.com).

Table of contents

GENERAL COMMENTS

Comparative financial statements

Pursuant to Article 28 of EU Commission regulation 809/2004, the following comparative data is included in this Registration Document:

- The consolidated financial statements for the year ended December 31, 2017 and the related auditors' report, which can be found on pages 91 et seq. and on pages 121 to 124 respectively of Registration Document no. D18-0352 filed with the AMF on April 20, 2018.
- The consolidated financial statements for the year ended December 31, 2016 and the related auditors' report, which can be found on pages 92 et seq. and on pages 120 and 121 respectively of Registration Document no. D17-0435 filed with the AMF on April 26, 2017.

Contents of this document

- The registration document
- The annual financial report
- The management report
- Board of Directors' corporate governance report
- Other AMF regulatory disclosures: description of the share buyback program.

Definitions

In this base document, except where indicated otherwise:

- "IDL GROUP" means ID Logistics Group SA;
- "Company" means ID Logistics Group SA;
- "Group", "ID Logistics Group" and "ID Logistics" mean the group of companies comprised by ID Logistics Group and its subsidiaries;
- "Registration Document" means this registration document filed with the French financial markets authority (AMF);
- "Registration Document Date" means the date on which the Registration Document was filed.

Market information

The Registration Document includes information about markets where the Company and its competitors operate, their respective market shares and the Company's competitive position, in particular in section 1.5 "The market and market developments" and section 1.6 "ID Logistics market positioning". This information is drawn primarily from external surveys. However, publicly available information deemed reliable by the Company has not been verified by an independent expert, and the Company cannot guarantee that a third party using different methods to gather, analyze or calculate market data would obtain the same results.

Risk factors

Investors are invited to give careful consideration to the risk factors described in chapter 2 of the Registration Document, "Risk factors", before making their decision to invest. The occurrence of all or part of these risks could have an adverse effect on the Company's business, position, financial results or objectives. In addition, other risks not yet identified or considered by the Company to be immaterial as of the Registration Document Date could have the same adverse effect, as a result of which investors could lose all or part of their investment.

Forward-looking information

The Registration Document contains forward-looking statements and information on the Group's objectives, in particular in sections 1.6 "ID Logistics market positioning", 1.12 "ID Logistics growth strategy" and 4.14 "Business trends", which are sometimes characterized by the use of future and conditional verb forms and forward-looking expressions such as "estimate", "consider", "have as an objective", "expect to", "intend", "should", "wish" and "could", in their affirmative or negative forms, or other similar terms. Such information is based on data, assumptions and estimates deemed reasonable by the Company. The forward-looking statements and objectives referred to in the Registration Document may be affected by known or unknown risks, by uncertainty relating in particular to the regulatory, economic, financial and competitive environments and by other factors that could lead to the Company's future results, performance and achievements being significantly different from the objectives expressed or implied. Such factors may in particular include the factors described in chapter 2 of the Registration Document, "Risk factors".

1/ BUSINESS OVERVIEW

1 BUSINESS OVERVIEW

1.1 ID LOGISTICS: A BOOMING CONTRACT LOGISTICS PURE PLAYER

Founded in 2001, ID Logistics is a major contract logistics operator in France and abroad. Operating in 18 countries, the Group provides domestic, and therefore principally land-based, contract logistics services in each of them. To date, the Group does not handle international transport, with the exception of a small-scale container management operation.

Capitalizing on its "pure player" position, ID Logistics provides customers with global logistics solutions covering the entire supply chain. The Group provides the following services:
- Warehousing and value-added services: warehousing, inventory management, order picking, kitting, co-packing, packaging, replenishment, optimization of logistics flows, cross-docking, etc.
- Organization of transport flows: transport organization, administration of transport orders, routing plan optimization, dedicated vehicle fleet, combined transport, dedicated monitoring team, etc.
- Supply chain: implementation of integrated ERP or Warehouse Management System (WMS) software on behalf of customers, inbound and outbound warehouse flow monitoring, back-up plan, project management, etc.
- Turnkey project delivery: barycentric determination of the optimum customer site location, warehouse design in accordance with specific customer requirements, relations with local authorities, obtaining the necessary authorizations, etc.
- E-commerce: implementation of specific tools and appropriate office solutions, etc.

Since its inception, the Group has focused growth on a range of customers consisting primarily of major French retailers and European manufacturers.

These customers operate in the following sectors: Dry food (general retail); non-food or general goods (general or specialized retail); home improvement and DIY; fresh produce (chilled temperature controlled deliveries for retail and manufacturing customers); the FMCG industry (*Fast Moving Consumer Goods*) (general and specialized retail suppliers); high-tech electrical products (hi-fi and high-tech product retailers); industry (automotive, paints, chemicals, drinking glass manufacture); luxury and cosmetics (selective retailers of cosmetics, leather goods and high-end brand accessories); textiles (specialized retailers of clothing and accessories); fragrances (specialized boutiques or general retail); cross-channel e-commerce (websites developed by retail customers in addition to their bricks-and-mortar retail outlets).

1.2 MILESTONES IN THE COMPANY'S DEVELOPMENT

The key dates in the history of the Company are as follows:

2001	• Incorporation of Vision Investissement, which was subsequently renamed ID Logistics Group
	• Acquisition of the logistics business of La Flèche Cavaillonnaise
	• First round of funding: Fonds Partenaire Gestion (Banque Lazard) 44%, La Flèche Cavaillonnaise 27%, founders 29%
	• Launch of the subsidiary and commencement of operations in Taiwan
	• By the end of the year the Group was already operating nearly 100,000 sqm of warehouse space
2002	• Launch of the subsidiary and start of operations in Brazil
2003	• Start of operations in China
	• Development and deployment of zero paper order "voice-picking" technology in France
2004	• Warehouse space operated by the Group passes the 500,000 sqm mark, with revenues of €100 million
	• Launch of site equipped with high-frequency sorting at Evry, France
	• Launch of two subsidiaries and start of operations on Réunion Island
2005	• Shareholder restructuring after Banque Lazard's withdrawal: 50.5% of Group equity now held by the management
2006	• Launch of the subsidiary and start of operations in Spain
	• The Group operates 1 million sqm of warehouse space worldwide and becomes one of the top ten logistics operators in France in terms of revenue (source: Journal de la Logistique, September 2007)
2007	• La Flèche Cavaillonnaise becomes a subsidiary of the ID Logistics Group, now independent and wholly owned by its management
	• Launch of the subsidiary and start of operations in Indonesia
2008	• Launch of the subsidiary and start of operations in Poland
2009	• Launch of the subsidiary and start of operations in Argentina
	• Start of "Logistics on demand" operations in Morocco (providing "Software as a Service" solutions with leased warehouse management software)
2010	• Launch of the subsidiary and start of operations in Russia
	• Launch of the first ever *Pick-n-Go* smart fork-lift truck in France: a traditional order-picking truck connected to a radio frequency voice recognition system, a warehouse management system and a laser guiding system
2011	• Warehouse space operated by the Group worldwide has doubled in 5 years and is now nearly 2 million sqm.
	• Acquisition of Mory group's logistics division
2012	• Flotation of the Company's shares on the Euronext Paris Stock Exchange by a new stock issue representing a 25% float
	• Launch of the South Africa subsidiary and start of operations

2013
- Acquisition of the entire capital of CEPL, leading French retail order-picking operator. This acquisition boosts the Group's market share in France and Spain and gives it a foothold in Germany and the Netherlands
- The surface area operated by the Group worldwide now exceeds 3 million sqm

2014
- Customer partnerships strengthened via two new joint ventures with Danone (transport organization in Europe and fresh produce logistics in South Africa)
- Development of a dedicated offer and first commercial success in retail order picking and e-commerce

2015
- E-commerce accounts for 11% of Group revenues.

2016
- Acquisition of Logiters group in Spain and Portugal: ID Logistics passed the symbolic billion euro revenue mark and France now accounts for less than 50% of Group business.
- ID Logistics becomes the leading contractual e-commerce logistics operator in France (source: e-commerce mag, Kantar, Company)

2017
- Launch of operations in its 17th country (Romania), strengthening ID Logistics' foothold in Eastern Europe.

2018
- Launch of operations in its 18th country (Chile), strengthening ID Logistics' foothold in South America.

1.3 SELECTED ANNUAL FINANCIAL INFORMATION

The financial information given below is based on the consolidated financial statements for the years ended December 31, 2018, 2017 and 2016, prepared pursuant to current IFRS. The 2018 financial statements are set out in section 4.8 of the Registration Document, "Annual historic financial information".

These key accounting and operational results should be read in conjunction with the information contained in sections 4.2 "Comparison of years ended December 31, 2018 and December 31, 2017", 4.3 "Cash and capital" and 4.4 "Cash flow".

Figures stated in euro millions in the tables shown in this chapter have been rounded in line with those shown under chapter 4, "Financial statements".

The Group posted 2018 revenues of €1,410 million, underlying operating income (EBIT) before acquired customer relations amortization of €47.3 million and consolidated net income of €28.74 million.

Backed by some 19,500 employees, the Group had close to 300 sites comprising 5.5 million square meters of warehouses at December 31, 2018.

- Summary income statement for the year ended December 31

€m	2018	2017	2016*	2016
Revenues	1,410.3	1,329.3	1,238.7	1,070.1
EBITDA **	74.1	63.0	58.6	51.0
EBITDA margin (% revenues)	*5.3%*	*4.7%*	*4.7%*	*4.8%*
EBIT***	47.3	36.7	32.6	27.8
EBIT margin (% revenues)	*3.4%*	*2.8%*	*2.6%*	*2.6%*
Total consolidated net income	28.7	18.3	20.4	17.4
Net margin (% revenues)	*2.0%*	*1.4%*	*1.6%*	*1.6%*

** Proforma as if Logiters had been acquired as of January 1, 2016 (see Note 30 to the consolidated financial statements, section 4.8.1 "2016 Group consolidated financial statements" of the 2016 Registration Document)*
*** EBITDA corresponds to underlying operating income (EBIT) before net depreciation, amortization and impairment of PP&E and intangible assets.*
**** before amortization of acquired customer relations*

- Breakdown of revenues for the year ended December 31

€m	2018	2017	2016*
France	685.6	632.6	581.7
International	724.7	696.7	488.3
Total	1,410.3	1,329.3	1,070.1

** 2016 data includes the Logiters group since September 1, 2016*

- Breakdown of underlying operating income (EBIT) for the year ended December 31

€m	2018	2017	2016*
France	33.5	24.7	28.0
EBIT margin (% revenues)	*4.9%*	*3.9%*	*4.8%*

International	13.8	12.0	(0.2)
EBIT margin (% revenues)	*1.9%*	*1.7%*	*(0.0%)*
Total	47.3	36.7	27.8
EBIT margin (% revenues)	*3.4%*	*2.8%*	*2.6%*

** 2016 data includes the Logiters group since September 1, 2016*

- Summary statement of cash flows for the year ended December 31

€m	2018	2017	2016*
Net change in cash and cash equivalents			
- from operating activities	61.7	28.4	44.3
- from investing activities	(59.3)	(36.8)	(75.5)
- from financing activities	13.7	9.7	50.5
Other changes	(0.5)	(0.2)	(0.1)
Change in net cash and cash equivalents	15.6	1.1	19.3

** 2016 data includes the Logiters group since September 1, 2016*

- Summary balance sheet as of December 31

€m	2018	2017	2016
Non-current assets	321.4	295.0	295.9
Working capital	(68.6)	(69.3)	(99.4)
Net borrowings (1)	63.0	63.4	51.1
Total consolidated shareholders' equity	189.8	162.3	145.4

(1) Net borrowings corresponds to gross borrowings plus bank overdrafts less cash and cash equivalents.

1.4 OVERVIEW OF THE ID LOGISTICS BUSINESS

ID Logistics is a contract logistics pure player that has developed skills and competencies that distinguish it from its direct competitors; this explains why the Group has grown so strongly over the past few years:

- A totally customer-focused organizational system

ID Logistics strives to place itself at the core of its customers' logistics strategy. The Group has implemented a specific organizational system focusing on customer relations in order to meet customer expectations as closely as possible while offering proposals that anticipate their future development.

- Consistent first-grade operational quality worldwide

In order to provide optimum and consistent service throughout its subsidiaries in France and abroad, the Group has established a set of "best practices". These are intended to ensure world-class quality of service when setting up new operational facilities in France and abroad, while ensuring that know-how and values are shared within the Group.

- A culture geared towards innovation

Since inception, the Group has made innovation one of its top priorities, notably by setting up an R&D department in order to offer customers cutting-edge technological solutions. This policy allows the Group to develop so as to improve the operational and financial performance of its operating sites and to offer better working conditions for its employees (e.g. via a reduction in accident rates, increased productivity, etc.).

- Control of information systems

The Group has acquired significant expertise in the management and implementation of information systems, allowing it to install customized solutions according to the site typology and to benefit from real-time access to structured information. The fluidity and reliability of this information allows the Group in particular to analyze and thus continuously improve site performance.

- Very experienced employees who share Group values

The Group attaches particular importance to imparting the following values among employees: enterprise, operational excellence, rigor and solidarity. Moreover, ID Logistics has been able to attract and retain talented people, resulting in a stable management team.
Finally, in addition to its competitive advantages, ID Logistics has adopted a customer-focused strategy of sustainable development and growth. To this end, the Group has set up a number of projects aimed at reducing the Group's carbon footprint and has developed specific environmental and financial analysis and improvement expertise on behalf of its customers.

1.5 THE MARKET AND TRENDS

1.5.1 Definition of contract logistics

"Logistics comprises all operations that enable the right product to be delivered at the right time, in the right place and at the lowest cost. Specifically, logistics refers to the business of managing flows between an enterprise, its suppliers and its customers. It consists in optimizing the physical flow of goods as well as internal and external information and financial flows." Xerfi - Logistics operators in France.

Contract logistics consists in formalizing the assets to be employed and the objectives to be met by means of a formal contractual commitment between the customer and the service provider.

1.5.2 A changing business

Over the last ten years, the shipper (representing the payer of the logistics operator) has gradually shifted its thinking from that of a purchaser of separate services (warehousing, transportation, labor for value-added services, etc.) to thinking in terms of final purpose, where global supply chain management has become a key competitive factor.

The diagram below illustrates this development:

From resource purchase thinking … to final purpose thinking

A strategic link in the value creation chain

In fact, the surface area allocated to warehousing by shippers has decreased sharply due to the use of part of this surface for sales operations (retailers) or production (manufacturers). The tightening of regulations has also led to the rapid growth of so-called "class A" logistics sites. This trend is reflected in the increased outsourcing of inventory management and in tighter product flows of increasing speed and complexity.

This tight logistics flow causes major fluctuations in volumes handled, with ever more accentuated activity peaks forcing logistics companies to provide innovative solutions. This is especially the case in the large retail sector. In order to implement flexible and reactive solutions, logistics operators need to anticipate flows in advance, sharing information on their forecasting activities with their customers, and steer the whole of the logistics process from supplier to end customer.

Major customers are thus demonstrating a growing preference for service providers that are able to cover all aspects of logistics and operate over a wide geographical area. They want to work with logistics operators who can optimize the whole of their logistics process in terms of planning, physical and information flow management and cost reduction (global flow management offer) and who can align themselves with the customer's development strategy and hence with its logistics strategy.

Managing and optimizing a customer's supply chain therefore requires a cross-functional approach to flows within a company, from planning to execution, from the consideration of market requirements to the assets to be deployed in order to satisfy those requirements. This approach frequently results in the implementation of a continuous improvement process and of profound rethinking leading to the reorganization and reengineering of the entire logistics process. The aim of this continuous improvement approach is therefore to improve the availability of a retailer's products for the end customer and thus the financial performance of the retailer.

Abroad, the growth of major retailers and manufacturers in emerging countries has been supported by the introduction of logistics solutions adapted to the specific features of each country. The rapid pace of growth and state of development in these countries ensures steady growth in the logistics market.

ID Logistics was founded in 2001 specifically as a response to growing demand from large consumer goods shippers, retailers and manufacturers, in France and abroad. Its capacity to anticipate market developments and respond to them accordingly has been the principal driving force behind the meteoric growth it has enjoyed since inception.

1.5.3 New customer expectations

Current shipper expectations are more complex and more global. They are summarized in the table below:

Shippers' expectations (source: XERFI, aforementioned report)	Logistics provider's responses
"*Improvement in flexibility (i.e. lead times and responsiveness), especially during periods of economic uncertainty*"	Define with each customer the tools and resources with which to ensure such flexibility

"Greater market differentiation and specialization"	Develop a customer-focused approach allowing customers to benefit from specialized know-how according to activity type
"Less price rigidity owing to the ability to offer shared solutions"	Demonstrate ability to offer solutions common to several customers or between manufacturers and retailers
"A more comprehensive traceability offer"	Perfect mastery of advanced IT systems, to meet the requirements of customers demanding complete traceability of goods, both food and non-food
"Optimized information systems (EDI, RFID)"	Prioritize integration of IT solutions in order to optimize logistics
"Improved communication"	Formalize and periodically review information exchange systems
"More environment-friendly flow management"	Make environment-friendly flow management a standard component in offers
"International services and networks"	As practiced by ID Logistics, incorporate the ability to support customers in foreign operations as a key element in their development strategy

1.5.4 The global contract logistics market

In view of the varying degree of integration between transportation activities and contract logistics activities in different countries and the lack of a specific world market contract logistics study, it is difficult to estimate the size of the market. However, given the Group's international footprint and experience, and on the basis of its competitors' publications, ID Logistics estimates that this market was worth some €210 billion in 2018, up 5% over 2017. Already very large, the global market is growing in line with inflation and GDP growth in the various local markets; its growth is further boosted by a trend among customers towards increased outsourcing. After the strong results posted in 2018, which was marked by an economic upturn and the increase in price variances, ID Logistics expects 2019 to be another strong year, albeit not as strong as 2018.

The world contract logistics market by sector is estimated to break down as follows (source: Wavestone, Company estimate):

Sector	Market share
Retail and consumer goods	47%
Automotive	13%
Health / pharmaceuticals	12%
Technology / telecoms	11%
Other industrial players	10%
Other	7%

1.5.5 The French contract logistics market

The contract logistics market encompasses a wide range of activities including warehouse inventory management, related services such as packaging and end-of-production operations and the management of all associated flows, in particular transportation. It is therefore difficult to estimate the size of the market directly. We must also use figures published by the various sub-segments concerned.

The transportation, warehousing and value-added services market

According to various sources (Xerfi – November 2017, Supply Chain Magazine – June 2017, INSEE – several 2018 reports), the total value of the transportation, warehousing and value-added services market may be estimated at some €40-45 billion, i.e. around 2.5% of French GDP (excluding air and sea freight).

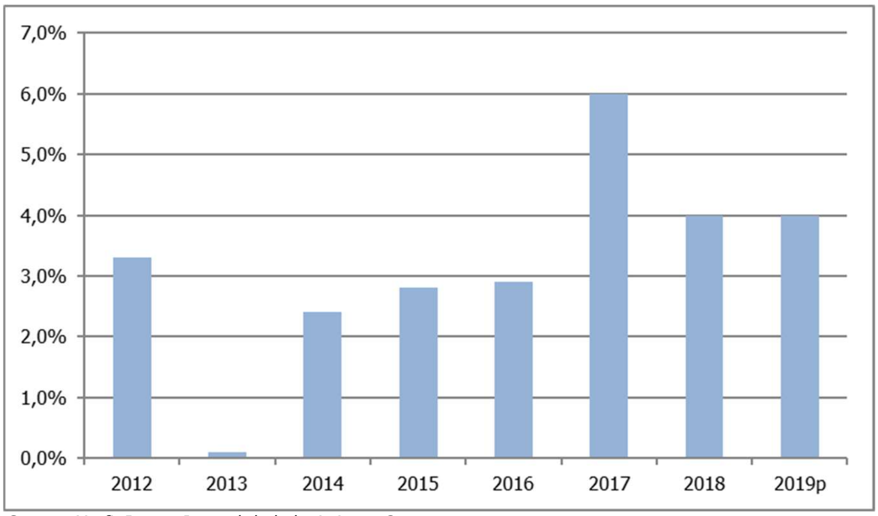
The contract logistics market accounts for less than 20% of this market, but is growing more rapidly

The contract logistics market may be estimated at just under €10.5 billion, representing around 20% of the broader transportation, warehousing and value-added services market. The top ten companies in the French contract logistics market (see details in subsection 1.5.6) account for less than half of this market, and none of them has a market share of more than 10% (source: *Supply Chain Magazine* - June 2018, *Xerfi* – February 2019).

Within the global transportation and warehousing market, which is growing in line with GDP, the contract logistics market is growing more strongly, in particular owing to companies' increasing outsourcing of this function.

After a year of flat growth in 2013, the market posted three years of annual growth between 2.5% and 3.0%, before steepening sharply to 6.0% in 2017. Growth remained high in 2018 at 4.0% and is expected to stay at around this level in 2019. This growth is driven by the large number of new projects and by rising prices, which are expected to continue to benefit service providers.

Revenue growth of leading French logistics operators



Source: Xerfi, Insee, Journal de la logistique, Company

Market development factors

- Sensitivity to economic conditions and consumer trends

While sensitive to the economic situation, household consumption (particularly for consumer goods) is relatively stable in volume given constant demographic trends. Indeed, during an economic recession, consumers focus primarily on price, with the result that they may reduce their outgoings in value terms but not necessarily in volume. Therefore contract logistics companies, whose income depends mainly on volumes handled (pallets, order picking, etc.) are less affected by economic slowdowns. Nevertheless, the major difficulty for contract logistics players during an economic crisis lies in the erratic fluctuation in volumes handled and the uncertainty that surrounds them. Household consumption also depends on changes in purchasing power and on demographic trends.

Developments in consumer habits (in particular the rise of hard discount stores, specialized retailers, online shopping etc.) may result in the emergence of new market players and may lead major customers to modify their logistics arrangements. Adaptation to consumer behavior is a key factor for large retailers and consequently for their logistics operators as well.

- Optimizing customers' supply chains has become a key strategic factor

In order to respond to customers' new expectations, logistics groups are positioning themselves as global providers able to manage all types of goods flow over an ever expanding geographical area. Good supply chain management for consumer goods customers has become an important selling point and source of added value through product availability, limiting inventory shortages, minimizing inventories and costs, etc.

In addition, major customers tend to prefer a limited number of suppliers capable of sustaining structuring projects that require genuine expertise and a capacity for investment. This growing importance of leading players in the industry is counterbalanced by a decline in the policy of purchasing services from a wide range of transportation and warehousing suppliers.

- A strategy of increased outsourcing

Besides economic factors, the environment in which logistics providers operate is characterized by a structural upward trend in the outsourcing of logistics functions by shippers. The use of subcontractors in this way is justified by the following needs:
- Need for cost savings: in-house logistics departments are frequently a source of high costs for companies
- Need for flexibility: in order to focus on their core business without having to concern themselves with logistics issues, customers expect their logistics operators to demonstrate a real ability to share costs while also being flexible
- Need for expertise: the high-level technical know-how required to manage flows of increasing complexity is guaranteed by the logistics operator's experience and capacity for innovation
- Need to support growth abroad: outsourcing makes it much easier to set up foreign operations, especially when growth is booming.

In France, outsourcing is estimated to account for 35-40% of logistics activities (*source: Xerfi*) compared to over 50% in English-speaking countries. There is still considerable scope for progress, especially during the current period; the uncertainty and lack of confidence that plague the global economy confirm the choices made by economic players that have decided to focus on their core business and outsource their ancillary functions in order to gain flexibility and reduce costs.

- The development of optimized logistics solutions is necessary owing to the structural increase in the cost of inland transport

For about ten years, the main shippers have been convinced that the cost of transportation can only rise, due to:
- rising oil prices in the medium term,
- an increasingly stringent transport taxation policy (road tolls, etc.),

- increasingly stringent environmental regulations, initiated in particular by governments (e.g. the Grenelle Environment Forum in France).

In addition, most shippers have implemented a policy of consolidating transportation and optimizing transport users and processes (e.g. aiming to fill trucks, use of combined transport, etc.).

This strategy has triggered two underlying trends:
- Gradual decline in shipments "per pallet", to the detriment of the major pallet distribution and pooling networks
- Growth in the number of consolidation warehouses that enable consolidation of transport and predominantly "full load" logistics, where a full truck (or freight wagon, barge, etc.) leaves from a single point and delivers to a single customer, in contrast to palletized distribution or pooling, where a pallet reaches its destination after being transported in several vehicles across several pooling platforms.

- Major shippers' sustainable development strategies bolster this trend

The emergence of sustainable development issues has only accelerated this trend. Indeed, companies' efforts to reduce their carbon footprint compel them to look for ways to step up transport consolidation.

These factors also reinforce the need to have global providers capable of measuring CO_2 emissions throughout the supply chain, proposing sufficiently comprehensive action plans in order to reduce their impact and proposing global supply chain optimization solutions (see section 1.12 of the Registration Document, "Sustainable development and growth").

1.5.6 Principal contract logistics companies in France

Customers tend to carry out part of their logistics operations internally and to diversify the outsourced part between different providers over the same geographical area. One logistics company may therefore be under several contracts for the same customer without being that customer's sole logistics provider.

Contract logistics services are delivered at domestic market level (no cross-border transport) and therefore markets are assessed on a country-by-country basis. With regard to the Group's competitors, in view of the importance of France for the Group's business (49% of 2018 revenues), ID Logistics has limited the following competitor overview to its primary geographical market. Moreover, competition in other countries where the Group operates mainly consists of companies already present in France and/or local competitors.

The main operators on the French market

The table below shows the revenues of the 10 principal operators on the French market in 2017.

		2017 revenues – contract logistics France*	Warehousing surface area France* (thousands of m²)	2017 revenues – Group total worldwide	Comments
GEODIS	GEODIS	€682m	1,100	€8,100m	Fully consolidated into SNCF
KUEHNE+NAGEL	Kuehne+Nagel	€665m	1,500	€16,735m	Main activity: freight forwarding
ID LOGISTICS	ID Logistics	€633m	2,500	€1,329m	Pure player
XPOLogistics	XPO Logistics	€561m	2,200	€15,025m	Transport 65%, Logistics 35%
VIAPOST LA LOGISTIQUE CONNECTÉE	Viapost	€554 million	390	La Poste €24,110m	Division comprising La Poste subsidiaries

	STEF	€524m	n/a	€2,825m	Temperature controlled transport and logistics specialist in Europe
	Daher	€503m	650	€1,100m	Integrated logistics specialized in the aerospace sector
	FM Logistics	€445m	1,300	€1,178m	Pure player
	Rhenus Logistics	€250m	500	€4,800m	Temperature-controlled transport and logistics specialist
	Bolloré Logistics	€247 million	250	Bolloré Logistics €3,531m	Bolloré group division

Source: Supply Chain Magazine (June 2018), Company
** Including related contract transport services*

Most logistics operators are large companies operating in several sectors (e.g. Kuehne+Nagel in freight forwarding, XPO in transportation, SNCF in rail transport, etc.) that have often acquired logistics companies in the context of their acquisition strategy.

While the number of pure players is limited, it is growing rapidly due to their specialized nature and expertise.

ID Logistics is one of the top three logistics operators in the industry. In 2017 its share of the French market was around 6% (the top two operators' contract logistics revenues comprising a greater portion of contract transport than that of ID Logistics).

A strong consolidation trend over the past 10 years

For 10 years, the logistics market has undergone considerable consolidation, as market players have sought to expand their competencies and reach the critical mass required to offer a wide range of services and support their customers' international growth.

The table below summarizes the principal acquisitions carried out over the last 10 years:

Target	Buyer	Year
TDG (UK)	Norbert Dentressangle (France)	2011
Mory Logidis (France)	ID Logistics (France)	2011
Orium (France)	La Poste (France)	2012
Morin Logistic (France)	La Poste (France)	2012
Fiege (Spain/Italy)	Norbert Dentressangle (France)	2013
CEPL (France)	ID Logistics (France)	2013
MGF (France)	Norbert Dentressangle (France)	2014
Jacobsen (US)	Norbert Dentressangle (France)	2014
Norbert Dentressangle (France)	XPO (USA)	2015
OHL (USA)	Geodis (France)	2015
Uti (USA)	DSV (Denmark)	2015
LGI (Germany)	Elanders (Sweden)	2016
Logiters (Spain)	ID Logistics (France)	2016

The arrival of Japanese (Nippon Express) and Chinese (Sinotrans) competitors is the result of those companies' strategy of supporting their domestic customers abroad. Their operating sites in Europe are mainly confined to import/export warehouses in the form of advanced spare part platforms. For this reason they are not in direct competition with ID Logistics.

1.5.7 Main logistics market trends in foreign countries where the Group operates

The Group has decided to support customers in the following 17 foreign countries and regions: Spain, Portugal, Poland, Russia, China, Taiwan, Indonesia, Morocco, Indian Ocean, South Africa, Brazil, Argentina, Chile, Germany, Belgium, the Netherlands and Romania.

These countries and regions are predominantly areas of rapid growth that are still behind more developed countries like France and Spain in terms of development. These macroeconomic factors are reflected in a tendency to develop innovative solutions more geared towards growth than towards the reorganization and reengineering of the logistics process.

The growth of the logistics market within emerging economies is inextricably linked to the increase in household consumption, creating the need to develop high quality logistics infrastructures for large retailers and manufacturers. Moreover, most of these countries have large growing populations representing major potential, in particular for the consumer goods sector.

1.6 MARKET POSITIONING OF ID LOGISTICS

ID Logistics is a contract logistics pure player in France and abroad. The Group offers an integrated logistics solution including transportation, warehousing and value-added services, designed primarily for major corporate customers.

As a pure player since incorporation and backed by over 18 years of experience, ID Logistics can offer not only individual logistics services but also logistics solutions ranging from the performance of traditional logistics operations to developing solutions as part of the customer's strategy.

This positioning enables ID Logistics to place itself at the core of its customers' logistics strategy. This approach is particularly evident in the Group's ongoing commitment to innovation, constant search for financial and environmental optimization solutions, constant endeavor to improve its customers' flows, etc.

Thanks to this approach, the Group has established long-term relationships of trust with its customers, as borne out by the support that the Group has provided for those customers' international development (operating bases in 17 new countries since 2001).

The various levels of customer relationship

5PL	The service provider handles the design, organization and roll-out of logistics solutions that may also include IT systems.
4PL	The service provider is responsible for supply chain management. Accordingly, it must optimize its customer's logistics solutions, by improving the organization of the flow of goods between suppliers and customers. The service provider manages each step in the supply chain itself (when integrated) or by calling upon different 1, 2 and 3PL service providers.
3PL	The customer (order issuer) engages a service provider to perform a wide range of logistics services, including transport management, warehousing, goods tracking, order picking, cross-docking and packaging
2PL	The service provider handles the customer's transportation and goods warehousing
1PL	The service provider is responsible for the client's goods transportation

1.6.1 Detailed presentation of ID Logistics' services

ID Logistics provides a broad range of logistical services to its customers:

Warehousing and value-added services
The ID Logistics offer meets the specific requirements of ambient and fresh produce logistics and e-commerce.
- Warehousing: use of a warehouse to store goods
- Inventory management: real-time monitoring of inventory levels, turnover, sell-by dates, etc.
- Order picking: collection of products, packages or pallets in a warehouse for the preparation of an order to be delivered to a distribution center or point of sale
- Kitting: putting several items together to form a kit or pack
- Co-packing: packaging operation involving the grouping of parts into a batch (e.g. for special offers) or for shop displays
- Packaging (shrink-wrapping or repackaging): preparation of a package in the desired packaging and containers
- Just-in-time assembly line supply and Kanban: supply of a minimum inventory of parts or work-in-progress alongside the assembly line, to be used and replenished based on production requirements. Kanban is one of the techniques of just-in-time procurement.
- Consolidation: flow management designed to optimize the loading ratio of the transport vehicle (truck, wagon, barge, etc.)
- Cross-docking: organizing transport such that the goods are received from suppliers, and customer orders prepared and shipped, on the same day with zero time in inventory
- Multi-supplier consolidation: sharing of a warehouse by several suppliers of the same customer. The goods remain the property of the suppliers, which are often too small to be able to deliver regularly to retailers at a competitive price. This type of storage guarantees the availability of products to the customer.
- Quality control: an operation designed to control the compliance of goods received and shipments.

Transportation and flow organization
- Transport organization: on behalf of the customer, ID Logistics organizes and optimizes transport schedules and routes over a given geographical area; the customer maintains a direct contractual relationship with its carriers
- Administration of transport orders: administration of delivery notes, scheduling, arranging meetings, monitoring disputes, etc.
- Routing plan optimization: regular proposals to reengineer routing plans in order to cut costs
- Dedicated vehicle fleet: use of vehicles specifically allocated to the customer

- Combined transport: use of combined rail and road solutions
- Container tracking: real-time tracking of containers with a view to optimizing the customer's supply chain
- Dedicated monitoring team: transport organization on behalf of the customer, including forwarding and contractual relations with the carriers designated by ID Logistics

Supply chain optimization
- Customer-side installation of WMS – Warehouse Management System - or ERP software interposed between commercial purchasing management and warehouse inventory management
- Proposed implementation of systems to enable real-time monitoring of supply chain flows
- Management of in/outbound warehouse flows: ID Logistics manages and optimizes inbound and outbound flows at the customer's warehouses, irrespective of whether the warehouse is managed by ID Logistics
- Organization of meetings: ID Logistics manages and optimizes its customer's meetings with carriers concerning deliveries and dispatches to and from the warehouse
- Back-up plan: ID Logistics designs and manages back-up plans for its customers in order to ensure ongoing delivery to their points of sale even if one or more of their sites are not in operation due to fire, adverse weather conditions, strikes, etc.
- Project management: ID Logistics participates in the design and implementation of all types of projects related to its customers' supply chains in France and abroad (e.g. prospecting, impact studies, solution consulting, etc.)

Turnkey project delivery
- Determination of the optimum customer site location on the basis of barycentric calculations, making allowance for the customer's inbound and outbound transportation constraints
- Identification and purchase of land
- Warehouse layout design in accordance with customer specifications
- Dealings with local authorities and obtaining the necessary permits and authorizations
- Optimum integration within the environment and construction in accordance with the French High Quality Environment (HQE) standard
- Construction monitoring until handover.

E-commerce
The Group has implemented special tools designed to deal with specific issues related to e-commerce:
- Choice of a specific information system: the Group has decided not to resort to the usual systems but to acquire a customized information system suitable for this type of process;
- Appropriate real estate solutions allowing a large degree of flexibility and sharing of e-commerce operations;
- Partnerships with express and pallet distribution networks in order to provide a global offer to the customer.

The Group has acquired particular expertise in this business and applies it in all countries where it operates.

The emergence of e-commerce requires logistics providers to manage more complicated flows. Indeed, a logistics provider must have the requisite systems allowing it to receive a purchase order for a product stored in one of its warehouses and viewed and purchased online by the customer, and to send the product directly to the customer from the warehouse or make it rapidly available at a retail outlet for collection by the customer.

1.6.2 Market typology

ID Logistics operates across a wide range of market types:

Sector	% 2018 revenues	Customer typology	Customer requirements
Retail	45%	General or specialized retail, food and non-food	In view of the surge in the number of food product references, major retailers have adopted the policy of drastically reducing their inventory levels to achieve an average close to 10 days per warehouse. This new logistics system has become a key competitive factor for retail chains that need to ensure constant availability of products at minimum cost. In cold logistics, an additional challenge includes the complete mastery of the cold chain. Non-food or general goods are imported in mass quantities and require special inventory logistics designed to cope with a wide variety of product types. The updating of product ranges resulting in frequent promotional campaigns as well as significant product seasonality makes flexibility of service particularly important. Several years ago the sector entered a new phase, consisting of further acceleration of flows due to the transformation of warehouses into cross-docking platforms. This new strategy has forced industrial suppliers to adapt their mode of delivery to the new system. This new logistics system has become a key competitive factor for retail chains that need to ensure constant availability of products at minimum cost.

FMCG	20%	Manufacturers and suppliers for general or specialized large retailers.	Manufacturers are looking for a logistics service that can support them through the organizational changes required by large retailers. Inventory reduction increases the frequency of deliveries. Customer expectations relate to the picking process and to the organization of the associated transport.
E-commerce	14%	Cross-channel retail developed by retail customers in addition to their bricks-and-mortar sales outlets, plus pure player websites.	E-commerce has become a major issue for all retail customers. It is seen as a high-growth market that is complementary to retailers' traditional sales outlets. Major customers seek both specific e-commerce logistics and synergies with their traditional logistics arrangements while demanding 100% quality rates.
High-tech	6%	Retail chains specializing in the distribution of hi-fi and high-tech products.	High-value products, diverse range of product sizes (ranging from cameras to refrigerators), large seasonal differences, mostly imported en masse and requiring high-precision logistics due to the nature of the product. Inventory management is the key component of the logistics service.
Cosmetics	5%	Manufacturers and general or specialized retailers of cosmetics and fragrances	Luxury products and cosmetics logistics requires high-precision management of a wide variety of consumer products and sales promotion accessories, given the fragility and high unit value of the products. This applies in particular to the order-picking process, in which the rate of error must be kept as low as possible. It must also cope with a concentration of sales around public holidays, sales campaigns and launches of products with relatively short life cycles.
Fashion	4%	Manufacturers and general or specialized retailers of clothing, leather goods and fashion accessories	Textile logistics is a particularly demanding field, involving major seasonal differences, the success or failure of collections, issues related to the transportation of clothing flat or on hangers and mass importation.
Automotive / Aerospace	4%	Car manufacturers and subcontractors	Parts inventory management and line-side logistics, including kitting of components for just-in-time delivery synchronized with production rate. The use of subcontractors for such operations allows manufacturers to cope with fluctuations in production rates. Need for end-to-end traceability for avionics components. Need for authorization for defense-related operations.
Pharmaceuticals	2%	Pharmaceuticals manufacturers	Need for end-to-end traceability, management by batch number and storage requirements for specific products (temperature, safety measures, etc.), requiring special authorization. Customer pooling requirements, particularly prior to transportation.

1.6.3 Global monitoring of key accounts

Top-ranking customers consisting of leading French companies and major multinational groups

Historically, the Group has built its development around major French-based multinationals and has proved its ability to support them in the long term and in their advanced foreign markets in South America and Asia. ID Logistics has been able to reinforce its long-standing relationships with its principal customers and to adapt to their changing needs, in particular by offering plans for continuous improvement and developing innovative solutions.

On the back of its operational successes with its long-term customers, the Group has expanded and diversified its customer portfolio by supporting the major French retail groups and large manufacturing groups in their foreign operations in regions with high growth potential (i.e. emerging countries).

With very few exceptions, all Group customers are leading players in their respective industries and operate in Europe and abroad.

The Group's goal is to support these customers' growth in France and worldwide while adapting to their changing strategies.

Principal Group customers

Support for customers worldwide

Since its inception, the Group has chosen to support its customers in their foreign operations. Today, the Group serves over half its customers in at least two countries.

The process of supporting customers in their foreign operations generally starts with an upgrade of operational processes prior to the installation of the technology currently used on customers' sites in France. During this upgrading process, revenue per employee (permanent and temporary), converted into euros, is generally lower than the equivalent figure at French-based sites.

1.6.4 Relationships established with customers on a contractual, transparent and long-term basis

Contract logistics is based on systematic contractual formalization and the allocation of appropriate resources.

Systematic contractual formalization

After the tender procedure that is carried out almost systematically by shippers, ID Logistics signs a formal contract with the customer for each new project. This includes:
- The operating specifications, which describe the entire service and assets to be provided by the Group
- The quality specifications, which describe the quality commitments undertaken and how they are measured (e.g. KPI)
- The contract, which specifies payment arrangements, liability, the duration of the contract, renewal clauses, etc.

ID Logistics applies a rule whereby it does not enter into a new contract without prior clarification of all the aforementioned items with the customer.

Invoicing system determined when contract is signed

All contracts are subject to different pricing terms and conditions (e.g. indexation or volumes) defined during the course of commercial negotiations. Revenue is generally recognized as follows: the customer is invoiced based on specifications (e.g. full pallet, preparation of special packages, etc.) and quantity of packages prepared. The Group's revenues therefore depend mainly on volumes handled and are relatively immune to changes in the economic climate (see section 1.5.5 "The French contract logistics market").

While the Group's revenues are not subject to major seasonal fluctuations, second-half revenues tend to be slightly higher than first-half revenues, in view of the breakdown of customers and their growth profile.

However, compared to the second half, the first half tends to see larger swings in volumes handled between peaks and troughs in activity. Excluding the impact of any new facility start-up costs, this volatility is reflected in lower operational productivity, and first-half operating income is generally lower than in the second half.

This feature of ID Logistics' business, which is also experienced by some competitors, is entirely factored into its operating procedures and financial management and does not constitute a risk as such.

Assets assigned to each contract

For each contract, ID Logistics provides a tailored solution designed to meet the specific requirements of each customer, including the following services:

- Dedicated or shared warehouses, equipment, vehicles etc. This policy, known as "asset light", allows the Group to minimize the risk of unoccupied surfaces.
- The table below shows the type of the Group's commitments with regard to its real estate sites at December 31, 2018:

Ownership/finance lease	ID Logistics real estate lease	Provided by the customer	Total
3	162	123	288

- Highly advanced information systems.
- A system for measuring performance and action plans.
- Specifically trained teams assigned to the operation.

As of the Registration Document Date, customer recharging procedures are applied at almost all of the warehouses managed by the Group.

An ultra-flexible business model

ID Logistics has traditionally pursued its development according to a model based on flexibility and adaptability. This approach has enabled the Group to offer its customers bespoke solutions, without having to rely solely on its own assets and avoiding the risks associated with the acquisition of a large amount of property, plant and equipment. It is particularly suited to the present economic climate, as it allows the Group to adapt to consumer trends and the global economic situation in the medium to long-term.

The Group has therefore decided to focus on leasing its warehouses (99% of warehouse surface area in operation as of December 31, 2018). With each new contract, the Group can offer bespoke real estate solutions tailored to each customer's requirements: leasing (takeover of the existing warehouse or search for a new location), use of the customer warehouse, construction, etc. In the case of leasing, the term of the lease corresponds to that of the customer's contractual obligation.

In terms of human resources, the Group assigns a training and management team to each contract and determines the staffing requirements in accordance with the specific features of each site. Seasonal effects and activity peaks are absorbed by the use of temporary workers without impacting the ongoing cost structure. The Group works together with the main temporary employment agencies.

In addition, the equipment required for operating the warehouses (trolleys, forklifts, etc.) is generally leased for the duration of the contract.

Genuine transparency with each customer

The customer partnership approach developed by ID Logistics is based on transparency.

This transparency is reflected in the practice of notifying the customer of all assets deployed and costs incurred in order to guarantee the proper performance of the contract. ID Logistics' operating margin is thus calculated on a clear and shared basis.

However, this transparent approach does not necessarily involve invoicing based on "cost + margin", a practice which, although common in English-speaking countries, is relatively rare in the countries in which ID Logistics operates.

Every year, ID Logistics reviews price developments and the improvement procedures it undertakes with its customers. ID Logistics' philosophy of long-term customer support is embodied in the form of improvement plans designed to ensure the continuous improvement of logistics operation performance (reducing the overall cost for the customer while optimizing the level of service). The benefits of these improvement plans are shared in a transparent manner between ID Logistics and its customers.

Long-term support

The legal term of a contract depends mainly on the value of the investments required or on other more specific elements, such as the takeover of staff in the context of outsourcing. The term varies between 3 and 10 years. Once the initial contractual term is completed, contracts are renewed on a regular basis.

If the logistics provider is able to establish a strong relationship with its customer based on transparency and solid communication, contracts are frequently renewed as changing providers involves major costs and risks.

1.7 THE REGULATORY ENVIRONMENT

The Group is subject to two categories of specific regulations:
- Regulations concerning classified sites in the warehousing division;
- Where applicable, regulations concerning transportation.

Compliance with regulations concerning classified sites

The regulations concerning classified sites require a structured approach to each tender offer, consisting in:
- Identifying the exact nature of the products to be stored and the related hazards (e.g. inflammables, explosives or pollutants)
- Defining volumes for the whole year and periods of peak activity.

These factors are used to determine which sections of the permit to operate facilities classified for environmental protection (ICPE – *Installations Classées pour la Protection de l'Environnement*) are relevant (1510, 2663, 1412, etc.). In the case of a smaller-scale project or cross-docking site, a simple declaration may be sufficient.

In France, the operator must apply to the Prefect's Office (*Préfecture*) responsible for the region in which the site will be located for permission to operate a classified site. The permit is managed by the regional environment, development and housing department (DREAL), which is also responsible for carrying out regular checks on the operator's compliance with its obligations once the permit has been granted. Similar regulations exist in foreign countries where the Group operates.

Based on this analysis, ID Logistics identifies existing warehouses on the market or warehouses to be built.

In certain cases, ID Logistics directly launches construction of a warehouse, completing all the formalities required for obtaining the requisite ICPE permits. To date, ID Logistics has managed the construction of eight warehouses in France, each time obtaining the relevant authorizations.

Compliance with operating permits is an important part of the work of a logistics operator, which must check that stored products comply with permits granted and that the specific facilities and procedures required under the permit are properly maintained (e.g. fenced-off areas, specific fire hose reels, special surveillance procedures, etc.)

Regulations may differ between the various countries where the Group operates, even though they correspond to the same general principles.

Similar regulations exist in foreign countries where the Group operates. Having established operating subsidiaries in heighteen countries, ID Logistics has acquired a wealth of experience in controlling legal risks in relation to the contract logistics business.

Compliance with transportation regulations

Transportation and freight forwarding operations are also subject to specific regulations. In countries where ID Logistics conducts these kinds of operations, specific authorization has been requested and obtained.

The Group has always adopted the following procedure when first establishing operations:
- Analysis of the country's legal environment by the Group legal affairs department;
- Local support from a top-ranking legal firm;
- Centralization of the required permits by the Group legal affairs department.

1.8 PROPERTY, PLANT AND EQUIPMENT

1.8.1 Material existing or projected property, plant and equipment and leases

The Group's head office is located at 55, Chemin des Engranauds, Orgon, France. ID Logistics owns this premises.

As of December 31, 2018, the number and surface area of warehouses break down as follows:

	Number of warehouses	Surface area (sqm)
France	108	2,379,000

International	180	3,098,000
of which:		
Europe excl. France	107	2,042,000
Asia	17	313,000
Africa/Indian Ocean	13	116,000
South America	43	627,000
Total	288	5,477,000

The optimum customer site location is a key factor in the organization of logistics. As such, ID Logistics has a specialist team for identifying real estate solutions for its existing and potential customers (e.g. existing warehouses, undeveloped land, etc).

As stated above, the Group has decided to focus on leasing its warehouses over a lease term that matches the duration of the customer contract. This approach provides the Group with considerable flexibility in supporting customer developments, given that it can offer them an optimum site location whenever the customer renews its contract.

However, the Group may acquire warehouses following takeover of competitors who have a different real estate policy. In this case, the Group seeks to bring these operations into line with its own policy by selling off most of the assets acquired.

As of December 31, 2018, the Group owned less than 1% of total space used.

To pursue its activities in France and abroad, the Group has signed several commercial leases for warehouses, for which the durations, terms and conditions on exit are generally identical to those specified in the contracts signed with the customers.

Real estate leasing commitments are described under Note 27 to the consolidated financial statements.

As stated under section 1.6.4 of the Registration Document ("Relationships established with customers on a contractual, transparent and long-term basis"), warehouses are mostly provided by customers or leased over the term of the customer contract, while all leasing costs are paid by customers.

1.8.2 Other property, plant and equipment

Apart from land and buildings described above, most other PP&E relate to handling equipment or vehicles and computer facilities and equipment. As of December 31, 2018, the net book value of these assets is broken down as follows:

€m	Net book value
Plant and equipment	31.2
Other PP&E	46.3
PP&E in progress	6.0
Total	83.5

The property, plant and equipment held by the Company are described under Note 2 to the consolidated financial statements in section 4.8, "Annual historic financial information".

1.8.3 Environmental issues

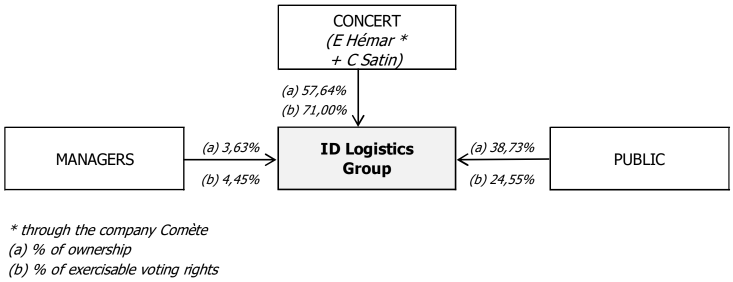
The Group's operations do not represent any material risk for the environment: as of the Registration Document Date, the Group stores and handles a certain amount of materials regarded as toxic under Seveso or equivalent regulations (aerosols, car batteries, paint, etc.) and provides the corresponding road transport services. These activities and services are of limited scope compared to the rest of the Group's activities and the Group considers that it is not significantly exposed to environmental risks. The Group also maintains an active policy of sustainable development, as described in section 1.13 of the Registration Document, "Consolidated statement of non-financial performance".

In this respect, outside the scope of the usual regulations relating to environmental and safety standards, there is no environmental issue that could significantly influence the use of the Group's property, plant and equipment.

1.9 ORGANIZATION CHART

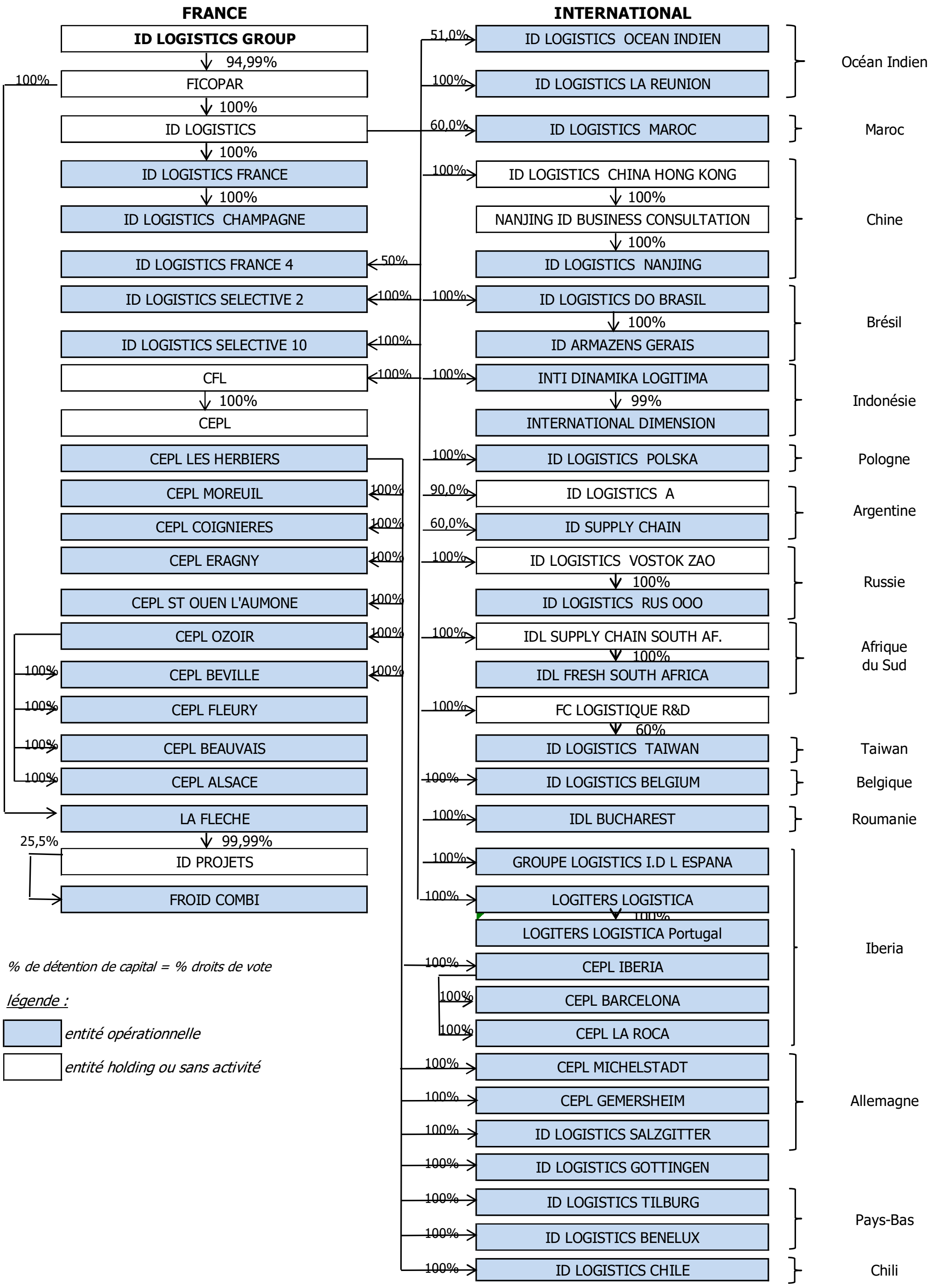
1.9.1 Legal organization chart

As stated in section 3.1.1 of the Registration Document "Capital stock", ownership of the Company breaks down as follows as of December 31, 2018:



Treasury shares owned through the liquidity agreement are included in "Public". At December 31, 2018, they represented 0.16% of ownership.

The following diagram shows the Group's simplified organization chart as of December 31, 2018:



The Company is a holding company which has no business operations. It centralizes some of the Group's central services. The business operations are carried out by the subsidiaries (see section 1.9.2 "Presentation of the Group's main companies").

As of December 31, 2018, the Company held direct and indirect equity investments in 93 companies, 53 of which are located within mainland France. This chapter only covers the Group's main subsidiaries.

The Group companies' business is described in chapter 1, "Business Overview".

The duties carried out in the subsidiaries by the Company's officers and directors are described in section 3.1, "Board of Directors' corporate governance report".

The Group's operational structure and the main centralized services are described in section 1.10, "Operational organization chart".

Section 1.13.3, "Consolidated statement of non-financial performance", shows a breakdown of Group employees.

The companies included in the Group's 2018 consolidated financial statements are listed in Note 29 to the Company's consolidated financial statements appearing in section 4.8 "Annual historic financial information".

The 2018 breakdown of subsidiaries by operating segment is as follows:

(€m except for headcount)	France	International	Total
Revenues	689.7	726.0	1,415.7
Inter-segment revenues	(4.1)	(1.3)	(5.4)
Net revenues	685.6	724.7	1,410.3
EBIT before amortization of acquired customer relations	33.5	13.8	47.3
Operating income	33.0	13.0	46.0
Net cash flow from operating activities	56.4	5.3	61.7
Capital expenditure	27.7	31.0	58.7
Fixed assets	146.9	152.2	299.1
Headcount	6,107	13,409	19,516

1.9.2 Presentation of the main Group companies

As of December 31, 2018, the main Group companies are:

- ID Logistics France (France)

ID Logistics France is a French simplified joint stock company (*société par actions simplifiée*) registered on December 1, 2000 with the Avignon Trade and Companies Registry under the name "La Flèche Logistique". It was given its current name on February 11, 2002 within the framework of the spin-off of the logistics business of ID Projets (formerly La Flèche Cavaillonnaise) into a new company whose shares were transferred to ID Logistics in December 2001. Today, it is the Group's main operating subsidiary and had 4,142 direct employees as of December 31, 2018.

- La Flèche (France)

La Flèche is a French simplified joint stock company (*société par actions simplifiée*) registered on December 5, 2007 with the Avignon Trade and Companies Registry. It was created at the time of the Group's acquisition of ID Projets (formerly La Flèche Cavaillonnaise), whose business it operates pursuant to a lease management agreement. It operates 3 sites in France and had 217 direct employees as of December 31, 2018.

- ID Logistics Taiwan (Taiwan)

ID Logistics Taiwan is a company incorporated under Taiwanese law whose head office is in Lujhu. It was created in 2001, and was the Group's first foreign subsidiary. It is jointly owned by its co-founder and current General Manager (who has a 40% shareholding). ID Logistics Taiwan manages food and non-food warehouses for major retailers, mainly in the form of cross-docking. ID Logistics Taiwan had 277 direct employees as of December 31, 2018.

- ID Logistics do Brasil (Brazil)

ID Logistics do Brasil is a company incorporated under Brazilian law whose head office is in São Paulo. Created in 2002, it is now the Group's main subsidiary outside France. It manages approximately twenty sites for a varied portfolio of customers and provides a diversified range of services for major retailers, e-commerce, consumer goods and manufacturers. As of December 31, 2018, ID Logistics do Brasil had 3,327 direct employees.

- Logistics IDL España Group (Spain)

Logistics IDL España Group is a company incorporated under Spanish law whose head office is in Madrid. Created in 2006, it operates 8 sites for major retailers and the textile industry. Most of its sites are managed with the help of mechanical systems. As of December 31, 2018, Logistics IDL España Group had 648 direct employees.

- ID Logistics Polska (Poland)

ID Logistics Polska is a company incorporated under Polish law whose head office is in Katowice. Created in 2008, it manages food and non-food warehouses for major retailers and their suppliers. It has also developed a transportation organization and management package and holds an international transportation license. As of December 31, 2018, ID Logistics Polska had 849 direct employees.

- ID Supply Chain (Argentina)

ID Supply Chain is a company incorporated under Argentinian law whose head office is in Buenos Aires. Created in 2008, it is held jointly by its co-founder and current General Manager, who holds a 40% equity stake. It manages food and non-food warehouses for major retailers. As of December 31, 2018, ID Supply Chain had 404 direct employees.

- ID Logistics Fresh South Africa

ID Logistics Fresh South Africa is a company incorporated under South African law with head office in Johannesburg. Founded in 2012, it manages 6 temperature controlled sites and a chilled products chain serving the entire region. It had 217 direct employees as of December 31, 2018.

- ID Logistics Benelux (Netherlands)

ID Logistics Benelux (formerly CEPL Tilburg) is a company incorporated under Dutch law whose head office is in Tilburg. It is an indirect subsidiary of CFL, acquired in 2013. ID Logistics Benelux operates two sites and had 342 direct employees as of December 31, 2018.

- ID Logistics Tilburg (Netherlands)

ID Logistics Tilburg is a company incorporated under the laws of the Netherlands, created in 2015 in order to operate a site for a pan-European industrial customer. ID Logistics Tilburg operates one site and had 87 direct employees as of December 31, 2018.

- ID Logistics Weilbach (Germany)

ID Logistics Weilbach is a company incorporated under German law whose head office is in Weilbach. It is an indirect subsidiary of CFL, acquired in 2013. It operates one site and had 238 direct employees as of December 31, 2018.

- ID Logistics Salzgitter (Germany)

ID Logistics Salzgitter is a company incorporated under German law, founded in 2016. It operates one site and had 226 direct employees as of December 31, 2018.

- Logiters Logística (Spain)

Logiters Logística is a company incorporated under Spanish law, based in Madrid. Purchased by the Group in 2016, it operates 49 sites throughout the region for retail, consumer goods, healthcare and automotive customers. As of December 31, 2018, Logiters Logística had 2,215 direct employees. Following this acquisition, it acts as the head office housing all administrative operations for Spain.

- Logiters Logística Portugal (Portugal)

Logiters Logística Portugal is a company incorporated under Portuguese law, based in Azambuja. It is wholly-owned by Logiters Logística. It operates 5 sites for consumer goods and healthcare customers. As of December 31, 2018, Logiters Logística Portugal had 415 employees.

1.9.3 Main intra-group transactions

The main 2018 transactions between Group companies were as follows:

- Cash-pooling agreement

An automatic cash-pooling agreement has been entered into between Ficopar as cash-pooling company and the main eurozone subsidiaries (France, Spain, Poland, Indian Ocean, Germany and the Netherlands). This agreement, signed in 2005 for an indefinite term, aims to optimize the management of excess cash and cash requirements at Group level. Pursuant to this agreement, advances received from subsidiaries bear interest at the 3-month Euribor annual rate less 15 bps, while advances paid by the pooling company bear interest at the 3-month Euribor annual rate plus 15 bps.

- Financing agreement

In its capacity as parent company of the foreign operating subsidiaries, ID Logistics SAS has entered into specific financing agreements to promote the start-up and development of certain subsidiaries. This applies in particular to the subsidiaries in Spain, China, Indonesia, Russia, Poland, Brazil, Argentina and South Africa.
Such financing agreements are entered into for indefinite terms, unless stricter local regulatory provisions apply. The loans bear interest at rates that are acceptable to the parties for tax purposes, and which vary from 3-month Euribor plus 15 bps (the lowest rate) to the Russian Central Bank's rate plus 50 bps (highest rate).

- Tax consolidation agreement

A tax consolidation agreement was entered into in March 2006 between Ficopar, as Group holding company, and ID Logistics, ID Logistics France and FC Logistics R&D. In subsequent supplemental agreements, the main French subsidiaries were added to the tax group. In compliance with Articles 223A et seq. of the French General Tax Code, this agreement sets out the procedures for contribution by the consolidated companies to the tax group's tax debt and the terms of use of the corporation tax savings derived from the application of this system.

- Lease management agreement

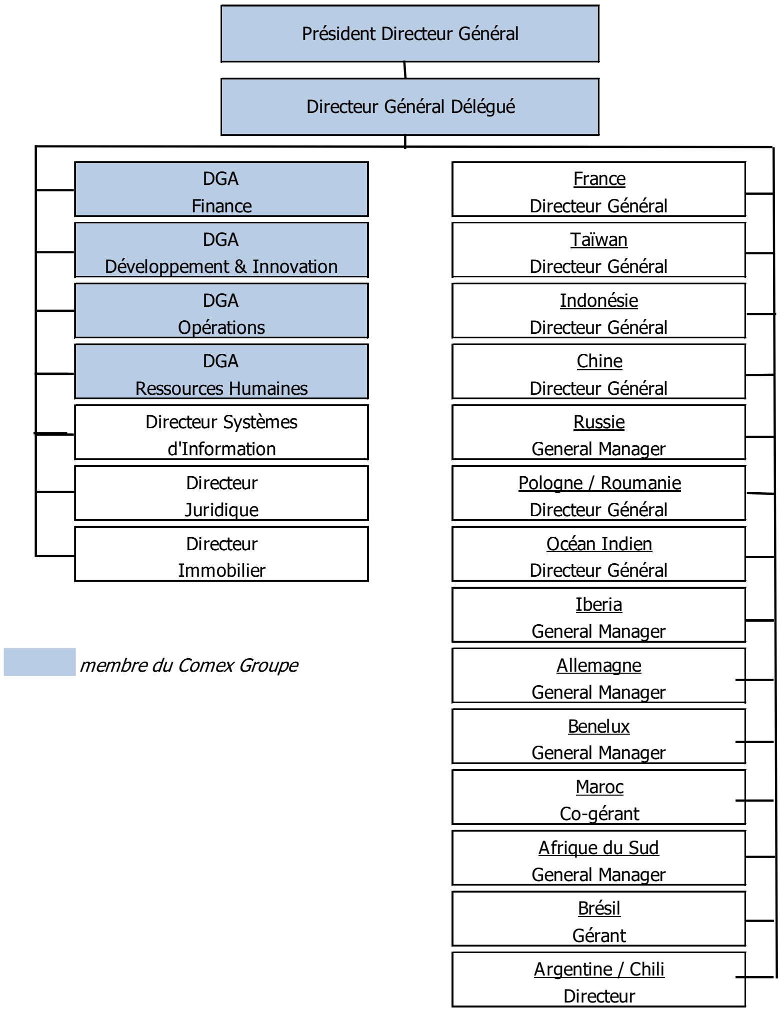
As previously indicated, a lease management agreement exists between ID Projets and La Flèche whereby ID Projets leases its business undertaking to La Flèche. This agreement was entered into as of January 1, 2008 for a term of 5 years. It was extended on January 1, 2018 for a further 5 years. During 2018, ID Projets invoiced La Flèche €0.1 million under this agreement.

- Business development agreement

A business development agreement was entered into in 2007 between ID Projects and ID Logistics France. Pursuant to this agreement, ID Logistics France remunerates ID Projets based on the revenues generated from clients in contact with ID Projets. During 2018, ID Projets invoiced ID Logistics France €0.6 million under this agreement.

1.10 OPERATIONAL ORGANIZATION CHART

As of the Registration Document Date, the Group operational organization chart was as follows:



All Group senior managers have extensive experience in their respective fields.

1.11 RESEARCH AND DEVELOPMENT, PATENTS, LICENSES, TRADEMARKS AND DOMAIN NAMES

1.11.1 Trademarks

Since the Group's incorporation, it has owned its trademarks, which it protects to mitigate the effects of competition. Indeed, the Group's policy is to register its trademark in all countries where it operates or may operate in the future.

As of the Registration Document Date, the following trademarks are registered:
- French semi-figurative mark RAIL PILOT LEADER no. 4324651 filed 12/23/2016 in classes 9, 35, 39 and 42;
- French semi-figurative mark ROAD PILOT LEADER no. 4324655 filed 12/23/2016 in classes 9, 35, 39 and 42;
- French semi-figurative mark ID LOGISTICS no. 3951045 filed 9/28/2012 in classes 35, 39 and 42;
- French word mark PORTAIL "End To End" no. 3897951 filed 2/16/2012 in classes 35 and 38;

- French word mark ID GROUP no. 3396566 filed 11/29/2015 in classes 35, 37, 38, 39 and 42;
- French semi-figurative mark ID LOGISTICS no. 3160616 filed 4/19/2002 in classes 35, 37, 38, 39 and 42;
- French word mark ID LOGISTICS no. 3140797 filed 1/10/2002 in classes 35, 37, 39 and 42;
- Community semi-figurative mark ID LOGISTICS no. 11218039 filed 9/26/2012 in classes 35, 39 and 42;
- Community semi-figurative mark ID LOGISTICS no. 2681393 filed 5/2/2002 in classes 35, 37, 38, 39 and 42;
- Community semi-figurative mark C LA FLECHE no. 2778389 filed 7/17/2002 in classes 38, 39 and 42;
- Community word mark FROIDCOMBI no. 795096 filed 4/6/1998 in classes 35, 37, 39 and 42;
- French semi-figurative mark C LA FLECHE no. 1419032 filed 3/5/1987 in classes 39 and 42.

Backed by a specialist law firm, the Group legal affairs department monitors the Group's trademark portfolio in terms of both registration and renewal, paying particular attention to the ID Logistics brand name, which is the Group's principal brand.

1.11.2 Domain names

Domain names filed by the Company are as follows:

- cepl.fr
- id-logistica.com.br
- id-logistics-oi.com
- id-logistics.cn
- Id-logistics.co.za
- id-logistics.com
- Id-logistics.com.ar
- id-logistics.com.br
- id-logistics.com.cn
- id-logistics.com.es
- id-logistics.com.pl
- id-logistics.com.tw
- id-logistics.es
- id-logistics.eu
- id-logistics.fr
- id-logistics.nl
- id-logistics.oi.com
- id-logistics.pl
- id-logistics.re
- idebra.com.br
- idbra.org.br
- idlbrasil.com.br
- idlogistica.com.br
- idlogistics.pl
- la-fleche.com
- la-fleche.eu
- Logisters.com
- Logisters.pt
- Logiters.es
- prestalid.com
- prestalid.es
- prestalid.net

1.11.3 Research and development

As stated in section 1.6, "ID Logistics market positioning", since its inception the Group has placed a strong emphasis on technological innovation, enabling it to offer its customers solutions that combine quality of service with productivity, while ensuring more ergonomic working conditions for its staff.

This innovation culture is supported by the Group's R&D department, staffed by forty technicians around the world, who add a new technological perspective to each commercial offer or reengineering request.

Nevertheless, the Group's R&D expenditure does not entitle it to a tax credit. The Group cannot capitalize its R&D expenses; they are posted to expenses as and when incurred. The annual amount of R&D costs recorded as expenses by the Company is not material.

1.12 ID LOGISTICS GROWTH STRATEGY

Major untapped potential for organic growth

ID Logistics currently operates in most countries where the mass market is a major target for large manufacturers and retailers. The Group intends to focus primarily on sectors where it is already present, in France and abroad.

In France, the Group has many sources of growth through the acquisition of new contracts (either due to a change in logistics supplier or by manufacturers or retailers outsourcing logistics) or development of multi-channel logistics solutions ("traditional" versus "e-commerce" logistics) in conjunction with the support offered to existing customers. In early 2011 the Group made significant inroads into this new business line, which represented over 14% of 2018 revenues.

The Group still has major growth potential abroad. In the first stage, ID Logistics pursued a strategy of supporting its customers based in France and abroad. In the second stage, the Group aims to boost its competitive position by supporting local customers, either in their country of origin or via the Group's sites in other countries. In this respect, ID Logistics intends to focus on certain major growth sectors such as textiles, fresh produce and fragrances.

Geographically speaking, the Group does not rule out the possibility of moving into new countries with high growth potential, while maintaining its usual approach of supporting its existing customers then consolidating its local market position.

Stepping up growth through acquisitions

The Group is also stepping up growth via acquisitions in order to:

- Strengthen competitive positions in countries where it is already present in order to consolidate the sector in France and abroad;
- Develop additional logistics expertise in a new business;
- Reinforce the services related to contract logistics operations.
- It was precisely this strategy which led to the July 2013 acquisition of CEPL that confirmed the strategic advantage of stepping up external growth and the Group's ability to carry out and integrate value-adding acquisitions.

Thanks to this acquisition, ID Logistics Group has boosted its service offering in the individual order picking market segment and is now the No. 1 French operator in automated order picking. The Group is expanding its customer base to take on new market segments such as electronic and cultural goods, perfumes and clothing and now serves well-known high-potential customers such as Sony, Bouygues Telecom, Givenchy, Guerlain, Yves Rocher, Elizabeth Arden, Le Coq Sportif and André. This operation also allows ID Logistics to bolster its e-commerce services with customers such as vente-privee.com.

Furthermore, CEPL's in-depth expertise in automation and order picking should allow ID Logistics Group to offer innovative solutions to all customers while providing flexible, bespoke logistics services to e-commerce customers. As a result of this transaction, ID Logistics boosted its European network by expanding into Germany and the Netherlands while consolidating its traditional operations in Spain. Lastly, CEPL's existing customers provide potential for commercial growth abroad.

Likewise, in 2016 ID Logistics continued to roll out its international growth strategy, strengthen its leadership in Europe and shore up its logistics pure player model via the acquisition of Logiters. In 2015, Logiters managed more than 50 warehouses equivalent to around 750,000 sqm, employed 3,300 people and posted revenues of €250 million. This important acquisition has allowed ID Logistics to develop its business in high-potential sectors such as healthcare/pharmaceuticals and the automotive industry, to strengthen its positioning in its historical sectors of FMCG and retail, and to enhance its portfolio with new, high-profile customers. Logiters also provided ID Logistics with new expertise and know-how, particularly in IT systems, engineering and transport organization, and new value-added solutions such as industrial pooling.

Summary of the Group's main strategic principles

In view of these different sources of growth, ID Logistics follows a strategy based on four major principles:

- A fundamental approach as a logistics pure player and integrator of technical solutions

The Group has made the strategic decision to pursue growth based on its expertise in developing technical solutions specific to individual customers. As such the Group does not aim to develop business lines where growth is driven by control of networks (i.e. inland transportation, air and sea freight forwarding, etc.).

- International positioning focused on mass consumption markets

The Group is present in most mass consumption countries where its large retail and FMCG manufacturing customers operate. The main objective is to increase market share in these countries, in particular through support offered to domestic customers. In the coming years, the activity of supporting existing customers could lead to openings in new countries. The first step would be to continue to offer support to existing customers for their growth in these countries.

- Continuing focus on the mass market

The Group's expertise is based on the logistical management of high-volume contracts and the search for optimizing solutions along the entire supply chain from manufacturer through to end customer. The Group aims to continue to serve new types of customer within this sector.

- Support for major customers in their new business lines and particularly in cross-channel selling

One avenue of potential growth lies in expanding the Group's offer to existing customers. In fact, increasingly decisive logistics support is required in order to keep pace with changing modes of distribution.

The growth of online selling, the opening of "Drive"-type models, home delivery and other factors entail changes to distributors' logistics organization and thus provide the Group with new opportunities.

In a broader context, changes in consumer habits lead to growing complexity of logistical arrangements, due to:
- An increase in the number of products offered for sale and the need for those products to be available;
- Complexity of sales and distribution channels;
- A requirement for greater flexibility in the management of volumes.

Expansion of the logistics offering is a suitable response to these requirements.

1.13 CONSOLIDATED STATEMENT OF NON-FINANCIAL PERFORMANCE

1.13.1 Sustainable development and growth

1.13.1.1 A long-standing policy

In view of its strong growth, ten years ago ID Logistics defined a strategy for sustainable development based on three fundamental principles:

- Environmental: Safeguarding the environment and controlling risks while making business assets such as vehicles and sites more environmentally friendly;

  ID Logistics has introduced a system for monitoring and sharing environmental best practices with a view to fostering awareness among its entire staff and communicating its commitments to its customers. The introduction of this system has been followed up by a number of action plans that have generated concrete results such as waste recycling, reduction in water consumption, etc.

  The Group stores and handles a certain amount of materials regarded as toxic under Seveso or equivalent regulations (e.g. aerosols, car batteries and paint) and provides the corresponding road transport services. These activities and services are relatively limited compared to the rest of the Group's activities. Therefore, the Group considers that it is not significantly exposed to environmental risks and causes no serious harm to the environment.

- Economic: Supporting customers in their sustainable development and growth strategy by implementing optimized, innovative solutions that meet both financial and environmental criteria.

  The Group gives consideration to sustainable development issues at the planning stage of logistics projects so that such considerations can be factored into the solutions offered to customers. It aims to offer its customers solutions for reducing their carbon footprint, enhancing respect for the environment and improving performance in order to reduce fossil fuel consumption.

- Staff and social: Improving staff safety and social commitment via training and awareness programs, and promoting socially responsible initiatives.

  With regard to its staff, the Group has taken specific steps to improve working conditions for employees and prevent industrial accidents. These actions have boosted staff commitment and Group performance.

  The Group has also undertaken commitments to a humanitarian development program as part of its foreign expansion (IDEBRA).

An intranet platform launched early 2010 has greatly enhanced the circulation of ID Logistics' sustainable development principles. The platform has allowed the Group to promote these principles among all employees and to inform the Group's customers about its commitment to sustainable growth and development.

The system also allows activities to be organized at Group level so as to make them:

- More effective (by making detailed information available on the execution of projects)
- Repeatable, on the basis of internal sharing of best practices

All managers are responsible for promoting this sustainable development strategy as part of their remit and for measuring the progress achieved. Group sites have formally undertaken this commitment under their internal CID certification and have developed shared programs with their customers.

The Group has set up two monitoring committees:

- The Strategic Sustainable Development Committee, comprising the Group Management Committee, meets twice a year. This committee sets out the Group's broad sustainable development strategies, oversees progress in relation to established plans, approves key projects and resources allocated to sustainable development and establishes programs to reward staff so as to encourage and promote the best initiatives.
- The Operational Sustainable Development Committee, comprising operational management, the HR department and contract managers, meets four times a year. This committee transforms the strategies established by the Strategic Sustainable Development Committee into action plans, monitors trends in indicators in relation to the defined action plan and reviews progress made by the Group's sites. This committee is responsible for classifying sites based on their achievements (beginner, intermediate...). It submits proposals for key projects and changes to dedicated resources to the Strategic Sustainable Development Committee.

1.13.1.2 Goal

ID Logistics aims to be the go-to designer of sustainable logistics solutions in Europe.

1.13.1.3 Values

This goal is founded on four core values adopted by all of the Group's business lines and regions:

- ENTREPRENEURSHIP
  This watchword can be broken down into three simple concepts: daring, imagination, growth – with all due care and attention required when implementing and assessing risks.

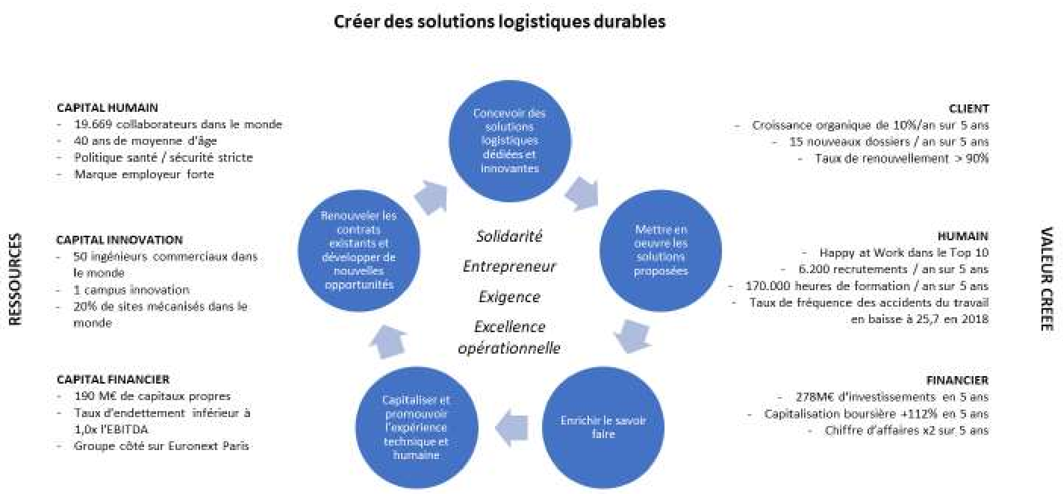
- OPERATIONAL EXCELLENCE
  Strict compliance with specifications, quality of service, new technologies, etc., in order to guarantee the customer optimal performance.

- RIGOR
  Rigor, discipline and professionalism in human relationships both within the Company and with customers and partners.

- SOLIDARITY
  Between employees, between group units, with customers, with partners, taking the form of supportive actions during challenging situations or promoting sustainable development.

When applied to training and the identification and promotion of talent, these values help define the Group's strong team spirit. This environment is strengthened by the internal ID Certification (CID), which promotes the sharing of best practices, in favor of the end customer.

1.13.1.4 The value-added model



The voluntary staff-related initiatives implemented by ID Logistics have earned it the recognition of human resource management professionals.

Accordingly, at the second *Victoires des Leaders du Capital Humain* award ceremony, ID Logistics received two awards:

- the "Talent Management and Global Mobility" award, which acknowledges the ability to manage talent within a context of extreme growth and raising awareness of internal promotion, by focusing on the implementation of IT tools. The use of these tools had already been recognized when RH&M Group and Observatoire Global Talent awarded Google France's head office the Digital HR Team award in 2015.

- a special mention from the jury for the "HR department of the year for growing companies", for which ID Logistics was recognized amongst a number of companies primarily operating in the new economy.

Shortlisted by the editors of *Décideurs* magazine, the nominees were judged on the basis of performance and growth indicators over time, the quality and range of ongoing and planned projects, as well as their capacity for innovation. 80 human resources experts met to name the winners in each category.

ID Logistics also received the Happy Trainees certification, which acknowledges excellence in taking on and supporting students who wish to gain professional experience. At the end of their assignment, students who had worked at ID Logistics gave feedback on the quality of their experience based on six factors: Professional progress, working environment, management, motivation, pride and fun/pleasure. The award is extremely selective, given that out of almost 1,000 companies evaluated, only 89 were awarded this certification.

Finally, in 2018 and for the second year running, "Happy at Work" ranked ID Logistics amongst the Top 10 companies with over 5,000 employees in France, across all business sectors. The HappyIndex® / AtWork study, conducted by ChooseMyCompany and published by Les Echos, involved 126,000 French employees across 7,335 companies, who anonymously graded their employer in six areas (career development, stimulating environment, management, wages and recognition, pride, enjoyment) by responding to 18 questions.

1.13.2 CSR risks

In accordance with the new requirements, the Company has reviewed its main non-financial risks by taking into account their materiality, relevance and severity in relation to the value-added model.

For a number of years now, Group senior management has been mapping the non-financial risks likely to jeopardize its value-added model. The identification of these risks, which mainly concern staff and the environment, is combined with the tracking of performance indicators, which are reviewed on a monthly basis by the departments concerned in each country and at least once a year with the Group Executive Committee.

When the decree implementing the order transposing the European Directive was published, senior management reviewed the 41 themes listed in order to ensure that risks previously identified and already monitored by the Group were included and to see whether new risks needed to be added.

This dual approach has resulted in the identification of the following main non-financial risks:

Area	Challenge	Paragraph
Employment	Guarantee the health and physical integrity of employees by reducing industrial accidents	2.1.1
Employment	Enhance the Company's ability to attract new talent	2.1.2
Employment	Retain talent through appropriate career development and remuneration policies	2.1.3
Employment	See that employee skills match job requirements	2.1.4
Employment	Maintain effective labor relations	2.1.5
Environmental	Ensure responsible waste management	2.2.1
Environmental	Reduce carbon footprint	2.2.2
Social	Equal treatment	2.3.1
Social	Regional, economic and social impact and relations with stakeholders	2.3.2
Social	Tax policy	2.3.3
Social	Initiatives in defense of human rights	2.3.4
Ethics and corruption	Uphold procurement best practices	2.4.1
Ethics and corruption	Prevent and combat corruption	2.4.2

1.13.2.1 Employment

A. Guarantee the health and physical integrity of employees by reducing industrial accidents

a) Challenges

Ensuring the health and safety of employees and service providers is a key factor in ensuring ID Logistics' development.

b) Initiatives

- Training
  ID Logistics is committed to improving the safety culture amongst all Group employees, by organizing specific training sessions for both permanent and temporary staff. Safety rules are displayed at all ID Logistics sites, both inside warehouses and in outside work areas.

- Innovation
  ID Logistics provides its employees with a secure working environment that focuses on reducing arduousness at work via ergonomic equipment, innovations and enhancements.

- Corporate culture

Most of ID Logistics' employees work in exposed environments. Therefore, safety is more than just a matter of policy - it is an entire set of tools, facilities and processes. Our safety culture has a long industrial history marked by an ongoing concern for shared vigilance and respect for everyone's safety. Each site prepares a monthly report to monitor industrial accident and absenteeism indicators, to which a portion of site directors' variable remuneration is tied.

- Employee welfare
  A specific ID Logistics insurance policy, in addition to the general industry policy, provides 100% coverage for a major proportion of healthcare costs, while ID Logistics pays the related premiums for the standard scheme.

c) Results

The frequency rate (i.e. number of lost time industrial accidents (excluding travel accidents) during the year over total payroll hours times 1,000,000) was as follows:

	2018	2017
France	55.9	59.2
International	14.3	16.0
Total	25.7	27.5

The severity rate (i.e. number of days lost due to industrial accidents (excluding travel accidents and extended absences or relapses arising from industrial accidents in prior years) over total payroll hours times 1,000) was as follows:

	2018	2017
France	2.5	2.2
International	0.4	0.3
Total	0.9	0.8

The initiatives in place, the leveling-off of the number of contract start-ups over the last two years and the increasing maturity of recently launched contracts have made it possible to reduce the frequency and stabilize the severity of industrial accidents. In the various countries where ID Logistics operates, there are significant differences between the definition of industrial accidents, the conditions regarding medical leave and the requirement to report them to the relevant bodies. These differences are particularly marked between European and non-European countries, and explain the discrepancy between the frequency and severity rates recorded between France and abroad.

In 2018, twelve people declared occupational sickness in France with the CPAM (French employee welfare organization) and to date have not been rejected, compared to 16 people in 2017. Given that the occupational sickness definition varies too widely between the Group's countries of operation, only the indicator for France, which is the most significant, is disclosed.

B. Enhance the Company's ability to attract new talent

a) Challenges

Hiring people capable of strengthening ID Logistics' expertise is a key challenge in maintaining the Group's rapid development. Faced with the growing difficulty in recruiting employees and the increasing requirements affecting our businesses, particularly in terms of innovation, attracting new talent is a key factor in the success of ID Logistics' strategy.

b) Initiatives

Our hiring capacity involves strengthening our relationship and partnerships with targeted universities.

- The recruitment team
  Given its importance, hiring at ID Logistics is handled by a specialized department.
- Employer brand
  For a number of years, ID Logistics has been actively rolling out a dynamic employer brand campaign: exposure on social networks, dedicated site and active on general and specialist job search websites.
- Relationship with universities
  ID Logistics has formed a team dedicated to relations with universities, as well as International Volunteers in Business (VIEs) and internal "ambassadors".

c) Results

The number of new hires during the period was as follows:

	2018	2017
France	1,376	1,206
International	6,384	5,038
Total	7,760	6,244

C. Retain talent through appropriate career development and remuneration policies

a) Challenges

Retaining talent and controlling staff turnover are vital if the ID Logistics Group wishes to consolidate and continue its development.

b) Initiatives

- **Salaries and pay rises**

Recognizing every employee's contribution to the success of ID Logistics is a major source of individual and collective motivation. This forms an integral part of the Group's salary and career development system. ID Logistics seeks to attract, motivate and retain staff, in particular by providing them fair overall remuneration that is competitive and in line with market rates.

The pay policy is based on recognizing talent and skills while encouraging dedication and offering fair pay for results.

Overall pay packages for ID Logistics employees are based on the following:
- A fixed base salary. The base salary takes into account the seniority of the position and the job holder's development of skills covering both technical know-how for the job and behavioral or managerial skills. These skills are assessed every year as part of the Annual Performance Interview.
- Variable pay, such as bonuses, rewards employees' daily work based on performance indicators relating to productivity, quality of work and the achievement of individual annual objectives in line with corporate strategy.

- **Incentive and profit-sharing agreements**

There is no Group employee incentive agreement. However, various incentive agreements are in place at the main French subsidiaries. Similarly, while there is no Group employee profit-sharing agreement, profit-sharing agreements have been concluded within the main French subsidiaries.

- **Employee shareholding**

At December 31, 2018 and as specified under section 3.1.1 of the Registration Document, "Breakdown of capital stock and voting rights", Group management holds a total of 3.6% of the Company's capital. Each manager is responsible for his or her own holdings and there is no collective scheme for equity holdings.

The Company has also established a collective Company share acquisition scheme for employees, the terms of which are as follows:
- The FCPE (corporate mutual fund) "Actions ID Logistics" was approved by the AMF on February 26, 2013 under authorization number FCE20130024;
- At all times, between one third and 100% of the FCPE's assets will be invested in ID Logistics Group shares, the management objective being to invest between 95% and 100% in Group shares so that the FCPE's value closely tracks the share's market price;
- This scheme was introduced during first half 2013 when the 2012 employee profit share was paid out. Since then, a new scheme has been launched every spring when the employee profit share is paid out.

- **Internal job transfers**

ID Logistics is conducting ambitious strategic workforce planning in order to anticipate the Company's future staffing requirements. By identifying potential movements and preparing for them in advance, the Group aims to perform the requisite internal staff changes with greater speed and efficiency as opportunities arise.

c) Results

Staff turnover was as follows:

	2018	2017
France	4.1%	3.3%

International	13.6%	5.6%
Total	10.6%	4.9%

The different regulations between countries where ID Logistics operates, and specifically between European and non-European countries, makes it difficult to compare turnover rates between France and other countries. The increase in the staff turnover rate abroad is primarily related to business activities in China and South Africa, where staff turnover reduction plans are currently being prepared. It can also be attributed to operations in Brazil and Russia, where more new contracts were launched in 2018, a situation that tends to result in a high turnover rate during the first few months of operation until staff numbers stabilize.

ID Logistics saw the following staff changes across the reporting scope:

	2018	2017
France	507	165
International	1,109	904
Total	1,616	1,069

The amounts recorded in France in respect of these incentive and profit-sharing agreements were as follows:

€000	2018	2017
Incentives	3,443	4,285
Profit share	1,856	1,399

Absenteeism (i.e. the total number of days absent due to accidents, illness and other unauthorized absences over total payroll days per calendar year) was as follows:

	2018	2017
France	6.3%	6.1%
International	5.0%	3.9%
Total	5.4%	4.6%

At December 31, 2018, 485 employees, i.e. 7.9% of the French workforce, held shares via the FCPE amounting to some 0.23% of capital stock.

D. See that employee skills match job requirements

a) Challenges

Ensuring that employees' technical and managerial skills match the expectations of their professional sector is a key factor in ensuring the success of ID Logistics' development strategy.

b) Initiatives

The Group has its own training institute, IDL Training, which has expanded its coverage. The training institute is a Group subsidiary and has been approved by the French employment ministry; as such it holds almost all necessary authorizations relating to employee safety.

In addition, ID Logistics has launched a huge training program concerning management best practices intended for all operational managers (including warehouse managers, operations managers, departmental managers and team leaders). Since the launch of this program, 703 people have attended these training programs in France, completing either the full 6-day course or a shortened 3-day version.

Finally, following a successful initial course, the France Operations Department supervised the selection of a second batch of high-potential young managers under a scheme named "Vivier ID Logistics" in partnership with EM Lyon. The 15 employees included in this round of promotions received over 5 days of training provided by experts in the following fields: Finance and financial control, real estate law, sales, human resources, management, etc.

c) Results

ID Logistics thus provided over 170,000 hours of training accounting for 0.4% of payroll hours:

	2018	2017
France (1)	43,117	44,506
International	128,418	176,991
Total	171,535	221,497

(1) Training hours include employees' statutory training entitlement (DIF) but exclude vocational qualification periods.

E. Maintain effective labor relations

a) Challenges

In order to ensure balance between its employees' expectations and business constraints, ID Logistics seeks to maintain effective dialog with staff. Social harmony is an important factor in the Group's success.

b) Initiatives

- **Arrangements for labor dialog**

Meetings and discussion should serve as a basis for resolving any difficulties. It is up to Group management and staff representatives to provide early warnings of difficulties encountered or breaches of the principles specified in the Code of Ethics. To comply with this early warning principle, local company management and staff representatives show willingness to communicate in order to prevent any difficulties arising from degenerating into labor conflicts.

The objective is to promote understanding between all levels of the company and to place labor relations at a global level, so as to improve them in all respects, including discussions between unions and management and between managers and their staff.

Employees themselves are the main focus of labor dialog and discussions are expanded to let them collectively or individually voice their opinions. By speaking and listening, the objective is to identify warning signs in advance and thereby avoid conflicts, while taking note of current working conditions and suggested improvements.

- **List of collective employee agreements**

ID Logistics continuously strives to strike a fair balance between business needs and the collective interests of the staff.

As such, the agreements applied in France demonstrate the Group's intention to factor all employees' interests into its strategy. These agreements concern issues such as exercising trade union rights, employee savings based on incentive and profit-sharing schemes, individual company savings schemes and the Group savings scheme.

c) Results

Overall, nearly 90% of Group employees are covered by collective labor agreements covering, in particular, work arrangements and working hours, pay rates and fringe benefits.

1.13.2.2 Environment

A. Ensure responsible waste management

a) Challenges

In a continuous effort to reduce its environmental impact, managing its own waste is one of ID Logistics' most direct tools.

b) Initiatives

The treatment of waste generated by the logistics sites is fully integrated into the Company's operating policies. The waste largely comprises wooden pallets, excess product packaging, such as cardboard boxes and shrink-wrapping used for inbound transportation of products to ID Logistics warehouses, and paper (e.g. labels, lists, print-outs etc.).

c) Results

Waste tonnage generated broke down as follows:

	2018		2017	
Type	Tonnage*	%	Tonnage*	%
Cardboard	18,255	41.3%	16,976	38.6%
Wood	5,652	12.8%	7,291	16.6%
Plastic	2,777	6.3%	3,219	7.3%
Ordinary industrial waste and other	17,484	39.6%	16,474	37.5%
	44,167	100.0%	43,960	100.0%

** the coverage rate ((based on the number of sites for which data is available over the number of sites included in the reporting procedure, as per the procedural memo) amounted to 88% in 2018 and 89% in 2017.*

The waste recycling rate was as follows:

	2018	2017
France	60%	59%
International	62%	70%
Total	61%	63%

B. Reduce carbon footprint

a) Challenges

The Group's main activity of warehouse management generates minimal discharges into the air, water and soil that could seriously impact the environment (France's gas coolant leaks are nevertheless tracked). Moreover, its secondary activity carried out via the transport monitoring units enables customers to optimize use of their own or their transport providers' fleets while reducing polluting emissions caused by trucks.

b) Initiatives

- **Resource consumption**

Water consumption is most acute in warehouse cleaning work. In order to limit water consumption for cleaning, ID Logistics continues to install rainwater collection tanks at its sites.

The Group's activities consume few raw materials in the strict sense. Consumables similar to raw materials mainly consist of cardboard packaging and shrink-wrapping. In addition to recycling waste, the Group also seeks to reduce consumption, in particular with regard to shrink-wrapping by introducing automatic stretch wrap machines at most sites. These stretch wrap machines lead to lower shrink-wrapping consumption compared to manual shrink-wrapping processes.
Lastly, specific protection measures for land use are not necessary in view of the Group's activities.

- **Solutions for reducing carbon footprint during transportation**

Logistics activities impact the environment due to warehouse activities and, most of all, due to the logistics supplier's positioning in its customer supply chains.

Introducing a scheme for measuring and reducing overall energy consumption enables operating expenses to be stabilized.

Transportation monitoring teams

The aim of the Group's transportation monitoring system is to reduce the carbon footprint of the customers concerned. Indeed, optimizing routing plans reduces empty-load mileage and vehicle operating time.
Improved coordination of the various links in the logistics chain (i.e. warehouses - transportation) allows more efficient truck loading and consequent reduction of the mileage required for delivering the same quantity of goods.

Combined cold chain logistics

Through its subsidiary Froid Combi, ID Logistics has introduced an integrated rail-road solution using mobile containers, and has thus developed its expertise in rail-road logistics over the last 10 years, with three North-South domestic routes. Several thousand transport containers are shipped every year via combined rail-road carriage on the Avignon-Valenton and Avignon-Dourges routes.

The ADEME Charter

In 2009, La Flèche, the Group's freight division, signed the ADEME Charter, a voluntary charter for the reduction of CO_2 emissions by road carriers of goods. The charter was drawn up by the French Ministry of Ecology, Energy, Sustainable Development and Marine Affairs, and various professional organizations in collaboration with ADEME. By signing the charter, which has been regularly renewed since 2009, the Group has committed to achieving certain CO_2 emission reduction targets. The Group aims to meet these targets by modernizing its vehicle fleet, monitoring its fuel consumption, training its drivers, improving load ratios and minimizing empty-load mileage.

- **Involvement in customers' sustainable development and growth strategies**

As part of its customer strategy, and through the Contract Managers in particular, ID Logistics aims to contribute to its customers' global sustainable development and growth strategies and, for this purpose, offers the following services:

- Identification of the customer's key sustainable development issues;
- Formalization of specific action plans drawn up and approved by the customer;
- Implementation of these action plans and measurement of the results;
- Evaluation of the customer's view of these actions by means of an annual questionnaire.

This scheme was launched in 2009 and, to date, approximately 40% of the Group's customers have taken part in it. The Group's short-term goal is to exceed a 50% customer participation rate.
As such, ID Logistics' strategy is to support its customers in their sustainable development and growth strategies by proposing and implementing optimized, innovative and value-added solutions.

For example, the Group has provided the following solutions to customers:

Rail-road transport unit for Evian Volvic World

In 2014 Evian Volvic World (a Danone subsidiary) and ID Logistics signed a partnership agreement to set up a unit that will manage all European industrial road and rail shipments across five countries (France, Germany, Belgium, Switzerland and the UK) from 4 production plants and 17 warehouses, involving 1,500 full-load trains per year, with the option of adding other customers in order to improve capacity management by pooling resources.

The objective of managing and optimizing shipments for Evian Volvic World (Evian, Volvic, Badoit, Salvetat) is to reduce costs at each stage of the supply chain (loading, transportation, warehousing and driving), slash Evian Volvic World's carbon footprint in the long term and improve its environmental track record.

A 100% natural gas fleet for Castorama in Paris:

Working with ID Logistics, in April 2014 Castorama introduced 6 NGV (natural gas vehicle) trucks for deliveries to its Paris supermarkets (Clichy, Nation, Grenelle, Flandre and La Défense) from its logistics warehouse in Pantin that is also managed by ID Logistics. In addition to providing major environmental benefits, NGV trucks are fully in line with Castorama's and ID Logistics' CSR strategies given that they produce half as much noise, no fumes, few particles and an odorless exhaust gas, in order to promote a clean urban environment. Furthermore, these trucks meet the stringent requirements of the 'Piek' standard, which aims to reduce noise pollution caused by the transport of goods.

- **Reduction in noise and other forms of pollution specific to ID Logistics' businesses**

In addition to reducing CO_2 emissions, the introduction of hybrid vehicles described above also aims to combat noise, especially when making deliveries in urban zones.
In addition, although the warehouses managed by ID Logistics are mostly located in specific logistics hubs, ID Logistics generally provides its warehouses with green spaces and hedgerows in order to limit visual pollution.

c) Results

- **EcoVadis rating**

ID Logistics participates in the EcoVadis sustainable development performance evaluation program, focusing on supply chain companies. The EcoVadis rating system is based on international sustainable development standards, and specifically the Global Reporting Initiative, the United Nations Global Compact and ISO 26000.
In 2018, ID Logistics was awarded the Silver medal in recognition of its CSR commitment. This award places it amongst the top 30% of companies rated by EcoVadis.

1.13.2.3 Society

A. Equal treatment

One of ID Logistics' strengths is the diversity of its workforce, consisting of men and women of many different nationalities and backgrounds working together and sharing common goals. Encouraging staff diversity is one of the Group's key commitments toward its employees.

In this respect, ID Logistics strives to build an inclusive culture where all employees are valued for their different knowledge, skills, experience, culture and background.

ID Logistics also strives to develop programs promoting the employment of disabled people. As an employer, ID Logistics encourages fair employment practices worldwide while respecting equal opportunity for all employees in terms of both hiring and career development.

- **Measures adopted to promote equal opportunities for men and women**

  The Group has not yet signed a collective agreement on this issue but has chosen to focus initially on completing a comprehensive review of the situation in France. This review, which was shared and discussed with staff representatives, revealed that:
  - There is no difference in salary levels between men and women for comparable jobs.
  - The Group's workforce is largely male (a ratio of approximately 70:30)

  This is due to the fact that the Group's core business requires repetitive handling of heavy parcels. Obviously, male staff are more suited to this type of work. Nevertheless, whenever possible, the Group does employ female staff. This is particularly true for retail picking tasks. As regards management positions, the Group recruits and promotes male and female staff on the same footing. This applies to warehouse management jobs as well as head office support functions.

- **Measures adopted to promote employment and integration of disabled persons**

  In 2018, the Group continued to step up initiatives in cooperation with staff representatives as part of the "Han'Action" project, aimed at:
  - combating the stigma of disability within the Company
  - informing and reassuring existing staff who may qualify as being disabled
  - keeping existing staff subsequently recognized as disabled in employment
  - recruiting new staff with recognized disabilities both to production and support jobs (by organizing special job forums at some Group locations, close cooperation with organizations working to put disabled people into jobs, etc.)

  In view of progress achieved, the Group intends to sign a collective agreement on this issue.

  The proportion of disabled Group employees was as follows:

	2018	2017
France	4.2%	4.2%
International	1.6%	1.1%
Total	2.4%	2.1%

- **Anti-discrimination policy**

  Agreements along the lines of the government-promoted "generational employment contracts" (*contrats de génération*) were concluded with the trade unions in 2013 for the two largest French subsidiaries (ID Logistics and La Flèche), which account for 75% of the French workforce. These commitments focus on:

  - promoting jobs for young people (under 26)
    - At ID Logistics France, 10% of new hires are young people under 26, while La Flèche has undertaken to maintain its level of employment of young people.
    - priority of access to training leading to qualification will be reserved each year to at least 20% of new hires under the age of 26 who lack qualifications
    - access for young people to the 1% housing scheme, without seniority requirement
    - establishment of an induction process for young recruits, including a welcome meeting and booklet, etc.
    - 100% of those hired under 26 will be assigned a mentor for 3 months
    - ID Logistics France undertakes to offer 40 internships and 25 combined work-study contracts

  - Commitments towards hiring and retaining senior staff (at least 57 years old, and at least 55 for disabled employees), and passing on knowledge and skills to young people:
    - The number of seniors hired by ID Logistics France will comprise at least 3% of total new hires, and the Company undertakes to maintain the percentage of older employees in the total workforce over the next 3 years. As for La Flèche, the percentage of senior hires will be at least 3% of total hires for the company
    - Improvement in working conditions and avoidance of onerous tasks: equipment and working methods adapted for senior staff, annual medical check-up for senior staff, adoption of procedures for identifying risks of employee burnout, monitoring of staff health, review of need for internal job transfers, adoption of "second career interviews" for all staff aged over 45, skills and qualification improvements / access to training (additional individual training entitlement (DIF) system, priority access to validation of prior experience (VAE) schemes and CIF training sabbaticals)

- transition between working life and retirement: assistance by the HR department in preparing the employee's pension application, organization of training schemes under the DIF system to prepare for retirement
- organization of tutoring work for employees aged 57 or over who volunteer to pass on knowledge and skills

A steering committee has been set up comprising members of the Works Council, trade union representatives, employees over 50 and senior managers. The committee is responsible for verifying the application of the commitments made.

The proportion of Group employees over 55 years was as follows:

	2018	2017
France	9.1%	6.9%
International	6.2%	5.9%
Total	7.1%	6.2%

B. Regional, economic and social impact and relations with stakeholders

The Group demonstrates its commitment to solidarity, one of its core values, by fostering new initiatives aimed at providing support to employees, customers and suppliers in difficulty and by driving or taking part in initiatives geared towards responsible and sustainable development.

- **Idebra**

In Brazil, so as to improve its local community relations, in 2002 ID Logistics founded a charity called "ID Esperança" (renamed Idebra in 2011), which promotes education for young children and teenagers from the Favela Beira Mar, a slum situated right next to one of the Group's Rio de Janeiro sites.

This project was managed directly by the Group to ensure that funds were used properly and to control the results. The aim of the project is to bring children back into education by means of a series of educational (tutoring), sporting (volleyball) and play-oriented (dance, reading, singing and audiovisual media workshops) projects.

The annual budget, which amounts to over 300,000 reals, is funded half by ID Logistics and half by other sponsors, most of which are Group customers or suppliers.

Over 2,500 people have participated in the program since its inception. Since 2010, the scheme's managers have had the pleasure of seeing two of their former protégés go to university for the first time in the history of the Favela Beira Mar. In 2014, the program relocated to new premises occupied by Idebra since late 2013.

In 2018, the program welcomed 181 students, 92% of whom attend classes until the end of the cycle, i.e. double the average for a traditional school program in Brazil. 17% of students completed the logistics assistant training program launched in 2014, and 28% of them found employment in logistics at the end of their training, or continued their studies at university.

- **Culture and diversity**

In September 2014, ID Logistics France signed a partnership with the *Trophée d'Improvisation Culture & Diversité* (Improvisation, Culture & Diversity award). This charity, founded in 2010 by Jamel Debbouze and Marc Ladreit de Lacharrière, organizes a national inter-school prize involving theatrical improvisation contests. Under the program, pupils enrolled in the schools (largely in disadvantaged neighborhoods) can learn about and practice theatrical improvisation, a key factor for personal development and social inclusion. Since 2010, 517 budding improvisers have been trained in 5 cities and 12 partner schools. Over five years, ID Logistics will provide financial and logistical support to the charity while expanding the program in the south of France.

C. Tax policy

In line with its policy of integration into its regional, economic and social environment, ID Logistics has a transparent and responsible tax policy. Accordingly, ID Logistics has no profit transfer mechanism (via transfer pricing re-invoicing, management fees, Group fees, etc.) and pays its taxes and social security contributions in the countries where it operates.

D. Other initiatives for the promotion of human rights

Under Article 1.2.3 of the Code of Ethics, it is specified that: "*We uphold human rights as defined in the Universal Declaration of Human Rights; ID Logistics respects those rights in the conduct of its operations throughout the world. Wherever we operate, we seek to ensure that ID Logistics' presence fosters healthy relationships and avoids civil conflict."* »

The Group also believes that all of the aforementioned activities relating to ongoing employee training, the internal promotion program and sponsorship initiatives such as Idebra help to safeguard the dignity, well-being and rights of Group employees, their families and the communities in which they live, as well as other persons affected by its operations.

1.13.2.4 Ethics and corruption

A. Uphold procurement best practices

- Promotion of and adherence to the ILO fundamental conventions

  All the aforementioned initiatives related to work organization, health and safety and equal treatment contribute to the promotion of and compliance with the fundamental conventions of the International Labor Organization.
  In addition, the Group Code of Ethics recognizes the employees' right to form or join a trade union and to negotiate and sign collective agreements, with specific reference to ILO conventions 87 and 98.
  The Group is also committed to combating child labor and forced labor and to preventing these risks within its legal scope of responsibility through its HR policies.

- Subcontracting, suppliers and fair commercial practices

  The Group's financial and purchasing policies establish particular ethical rules for relations with ID Logistics Group's business partners (i.e. suppliers, sub-contractors, etc.).

  Specifically, the Code of Ethics prepared throughout 2013 and approved by the Board of Directors on March 25, 2014 specifies in Article 2.3.1: "*We are committed to the practice of fair competition based solely on the quality of our services and solutions. As such, in view of our commitment to comply with current anti-corruption legislation, Group directors, senior executives and employees should not offer, promise or give anything to an individual from the public or private sector that could inappropriately influence the judgment of a third party on the services or solutions provided by ID Logistics or by another company, gain illegitimate advantage from a commercial transaction, influence the timing of business transactions or harm the reputation of ID Logistics if the offer, the promise or the payment were publicly disclosed.*"

  In addition to the work performed by temporary staff, which accounts for one third of all purchases and external charges, temping agencies provide their services subject to master agreements that specify their commitments with regard to:
  - Ways to improve qualifications of temporary staff allocated, in particular in relation to prevention and safety
  - General health and safety rules by appropriate information communicated via instructional material that highlights the importance of equipment (safety shoes, etc.)
  - Instructing staff assigned about the Group waste treatment policy and procedures implemented at all locations
  - Helping the Group to fulfill its obligation to employ disabled people by proposing the résumés and skills of disabled workers registered with the agency

B. Prevent and combat corruption

Under Article 17 of the French Sapin II Act, the Group has implemented an anti-corruption program based on:
- A corruption risk assessment based on country risk (based on Transparency International's Corruption Perception Index), the history and maturity of the subsidiary, and any risk factors (the subsidiary's organization, separation of tasks, type of services offered, type of products managed).
- The Group's Code of Ethics, updated to include the prevention of corruption, available on the Company's website and circulated to employees.
- A specific ethics training program initially aimed at all operating managers in France. This training module is currently being revised in order to account for requirements relating to laws on the duty of vigilance / the Sapin II Act. It should enable employees to identify human rights issues in their daily activities, as well as the areas and activities most at risk, and to develop the right reflexes. Completed in 2019, this module will take the form of an online e-learning program. It will then be sent to all Group managers via the training platform.
- The implementation of centralized procedures for supplier approval and management. Major purchasing categories (handling equipment, temporary staff, uniforms, IT equipment, etc.) are managed directly by the Group or individual subsidiary's purchasing department. Suppliers are approved through tenders coordinated at Group or national level, ultimately approved by Group senior management or by the country management team. Regular awareness-raising and training initiatives regarding responsible procurement are also organized.
- The most important suppliers in terms of purchasing volumes undergo an evaluation/survey conducted by the purchasing department. These surveys help to ascertain internal stakeholders' (our logistics sites) perception of suppliers. They cover a wide range of qualitative criteria, including compliance with the Group's commitments. A section covering ethics and corruption will be added to this survey.
- Finally, the Group has set up an internal whistleblowing system that complies with Sapin II, specifically with regard to corruption.

1.13.3 Consolidated non-financial performance indicators

	2018	2017
Staff information		
Headcount as of 12/31 *(1)*		

	France	6,170	5,753
	International *(2)*	13,499	12,067
	Total	19,669	17,820
Percentage of FTE temporary staff			
	France	36%	41%
	International	26%	22%
	Total	29%	29%
Women			
	France	27%	26%
	International	29%	28%
	Total	28%	27%
Average age			
	France	41	40
	International	38	37
	Total	40	39
Hires			
	France	1,376	1,206
	International	6,384	5,038
	Total	7,760	6,244
Dismissals *(3)*			
	France	678	312
	International	3,065	782
	Total	3,743	1,094
Turnover rate			
	France	4.1%	3.3%
	International	13.6%	5.6%
	Total	10.6%	4.9%
Internal staff changes			
	France	507	165
	International	1,109	904
	Total	1,616	1,069
Incentive and profit-sharing agreements (in euro thousands)			
	Incentives	3,443	4,285
	Profit share	1,856	1,399
Absenteeism			
	France	6.3%	6.1%
	International	5.0%	3.9%
	Total	5.4%	4.6%
Industrial accident frequency rate *(4)*			
	France	55.9	59.2
	International	14.3	16.0
	Total	25.75	27.5
Industrial accident severity rate *(5)*			
	France	2.5	2.2
	International	0.4	0.3
	Total	0.9	0.8
Occupational sicknesses reported			
	France	12	16
Hours of training			
	France *(6)*	43,117	44,506
	International	128,418	176,991
	Total	171,535	221,497
Proportion of disabled employees			
	France	4.2%	4.2%
	International	1.6%	1.1%
	Total	2.4%	2.1%
Proportion of employees over 55 years			
	France	9.1%	6.9%
	International	6.2%	5.9%
	Total	7.1%	6.2%

Environmental information			
Tons of waste generated *(7)*			

	Cardboard	18,255	16,976
	Wood	5,652	7,291
	Plastic	2,777	3,219
	Ordinary industrial waste and other	17,484	16,474
	Total	44,167	43,960
Breakdown of waste			
	Cardboard	41.3%	38.6%
	Wood	12.8%	16.6%
	Plastic	6.3%	7.3%
	Ordinary industrial waste and other	39.6%	37.5%
	Total	100.0%	100.0%
Proportion of waste recycled			
	France	60%	59%
	International	62%	70%
	Total	61%	63%
Water consumption - in cubic meters			
	France	135,250	126,585
	International	397,602	397,119
	Total	532,852	523,704
- cubic meters per pallet shipped *(8)*			
	France	0.0062	0.0062
	International	0.0164	0.0210
	Total	0.0158	0.0134
- cubic meters per warehouse sqm			
	France	0.067	0.062
	International	0.158	0.192
	Total	0.117	0.127
Group energy consumption (MWh)			
	Electricity	228,067	223,463
	Natural gas	73,440	69,437
	Diesel	*169,772*	*231,801*
	Gasoline	*1,609*	*1,294*
	Non-road diesel	*3,346*	*4,786*
	LPG	*2,219*	*2,677*
	Fuel oil	*2,363*	*1,882*
	VNG	*4,303*	*1,235*
	Ethanol	*28*	*20*
	Fuel subtotal	183,640	243,695
Group energy consumption (%)			
	Electricity	47.0%	41.6%
	Natural gas	15.1%	13.0%
	Diesel	*35.0%*	*43.2%*
	Gasoline	*0.3%*	*0.2%*
	Non-road diesel	*0.7%*	*0.9%*
	LPG	*0.5%*	*0.5%*
	Fuel oil	*0.5%*	*0.4%*
	VNG	*0.9%*	*0.2%*
	Ethanol	*0.0%*	*0.0%*
	Fuel subtotal	37.9%	45.4%
Group energy consumption (kWh per shipped pallet)			
	Electricity	4.965	5.669
	Natural gas	1.599	1.771
	Diesel	*3.696*	*5.91*
	Gasoline	*0.035*	*0.033*
	Non-road diesel	*0.073*	*0.122*
	LPG	*0.048*	*0.068*
	Fuel oil	*0.051*	*0.048*
	VNG	*0.094*	*0.031*
	Ethanol	*0.001*	*0.001*
	Fuel subtotal	3.998	6.214
tons of CO_2 emitted, scope I, II and III *(9)*			
	France *(10)*	30,127	35,458
	International	108,373	154,631

	Total	138,500	190,089
kg of CO_2 emitted, scope I, II and III per shipped pallet *(9)*			
	France *(10)*	1.356	1.743
	International	4.463	8,191
	Total	2.998	4.847
Environmental provision as of 12/31			
	Total	-	-

(1) including maternity leave, temporary fixed-term contracts or equivalent, and paid interns

(2) including Logiters, acquired in August 2016

(3) excluding redundancies

(4) number of lost time industrial accidents (excluding travel accidents) during the year over total payroll hours times 1,000,000

(5) number of days lost due to industrial accidents (excluding travel accidents and extended absences or relapses arising from industrial accidents in prior years) over total payroll hours times 1,000

(6) Training hours include employees' statutory training entitlement (DIF) but exclude vocational qualification periods.

(7) The coverage (based on the number of sites for which data is available over the number of sites included in the reporting procedure, as per the procedural memo) amounted to 89% in 2017 and 88% in 2018.

(8) Shipped pallets are pallets shipped from our warehouses.

(9) The emission factors applied are based on the ADEME "Bilan Carbone" method (combustion for Scope I, production for Scope II).

(10) including Scope III emissions of 755 tons of CO_2 (0.035 kg of CO_2 / pallet shipped) relating solely to business trips

1.13.4 Procedural memo

Consolidation policies applied to calculate the reported indicators are the same as the accounting principles described under Note 4 to the consolidated financial statements.

In 2018, within the historical reporting scope:

- All consolidated companies are included
  - except for Morocco with regard to employee information, which represents a non-material portion of the workforce in the reporting scope;
  - except for waste indicators for China, Indonesia and Morocco, which have not implemented a waste reporting system. The information provided nonetheless covers 96% of Group headcount and 96% of the surface area used for operations as of December 31, 2018.
- As was the case in previous years, sites included for environmental reporting must have operated for at least 6 months of the year and have 6 months of data. Sites that have operated for at least 6 months but have less than 6 months of data impact the indicator's coverage (which is calculated on the number of sites). Unless otherwise indicated in the report, the indicators have 100% coverage.

More details about some indicators:

- Industrial accident indicators reported under 1.d) are calculated based on the following data:
  - Total payroll hours of all ID Logistics employees, based on each employee's hours per employment contract less paid vacation days;
  - The number of days lost due to industrial accidents (excluding travel accidents), based on a "prevention" approach, i.e. excluding extended absences or relapse related to industrial accidents in prior years;
  - The number of lost time industrial accidents (excluding travel accidents) during the year. It should be noted that the notion of "lost-time industrial accidents" is specific to the regulations in force in each country in which the Group operates. This may result in varied reporting practices from one country to another, in terms of both frequency and severity. Standardization of these reporting practices is planned.
- Absenteeism is calculated by dividing the total number of days off due to accidents, sickness and other unauthorized absences by total payroll days.
- The dismissal rate excludes redundancies.
- Staff turnover is calculated by dividing the number of voluntary leavers in the year by the number of permanent employees at 12/31/2017.
- The waste recycling rate concerned mainly cardboard, packaging, film and paper waste at operating sites (excluding head office and other administrative offices).

CO_2 emissions are calculated based on :

- scope I emissions include direct emissions fixed and refrigerating combustion from warehouses and vehicles managed directly by ID Logistics;
- scope II emissions include indirect emissions due to electricity consumption by warehouses and vehicles manages directly by ID Logistics;

- scope III emissions include all other indirect emissions and especially packaging (cardboard and plastic) or professional trips out of the warehouses;
- conversion factors (from KwH, kg or liters into CO2 kg equivalent) that have been updated with the latest Ademe CO2 figures issued in January 2019.

Issues such as food waste, the elimination of food insecurity, respect for animal welfare and the promotion of responsible, fair and sustainable food have little bearing on the Group's business activities. They are not included in the non-financial performance indicators.

1.13.5 Report of one of the Statutory Auditors, appointed as independent third party, on the consolidated non financial statement

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31, 2018

To the Shareholders,
In our capacity as Statutory Auditor of ID Logistics Group, appointed as independent third party and accredited by COFRAC under number 3-1048 (scope of accreditation available at www.cofrac.fr), we hereby report to you on the consolidated non financial statement for the year ended December 31, 2018 (hereinafter the "Statement"), presented in the group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility
The Board of Directors is responsible for preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main extra-financial risks, a presentation of the policies implemented with respect to these risks as well as the results of these policies, including key performance indicators. The Statement was prepared by applying the company's procedures (hereinafter the "Guidelines"), summarized in the Statement and available on the company's website or on request from its headquarters.

Independence and quality control
Our independence is defined by Article L. 822-11-3 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Responsibility of the statutory auditor appointed as independent third party
Based on our work, our responsibility is to express a limited assurance conclusion on:
- the compliance of the Statement with Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

However, it is not our responsibility to provide any conclusion on:
- the company's compliance with other applicable legal and regulatory provisions, particularly with regard to the duty of vigilance, anti-corruption and taxation
- the compliance of products and services with the applicable regulations.

Nature and scope of procedures
We performed our work in accordance with Articles A. 225-1 *et seq.* of the French Commercial Code defining the conditions under which the independent third party performs its engagement and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie nationale des commissaires aux comptes*) relating to this engagement and with ISAE 3000 (*Assurance engagements other than audits or reviews of historical financial information)*.

We conducted procedures in order to assess the Statement's compliance with regulatory provisions, and the fairness of the Information:
- We familiarized ourselves with the Group's business activity, the report on the main social and environmental risks relating to this activity and the impacts thereof with regard to the respect for human rights and the fight against corruption and tax evasion, together with the subsequent policies and their results.
- We assessed the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector;

- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, the respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement includes an explanation justifying the absence of information required by paragraph 2 of section III of Article L. 225-102-1.
- We verified that the Statement presents the business model and the main risks relating to the Group's business activity, including, where relevant and proportionate, the risks generated by its business relations, products or services as well as policies, measures and outcomes, including key performance indicators.
- We verified that, when relevant to the main risks or policies presented, the Statement presents the information stipulated in section II of Article R. 225-105.
- We assessed the process of selecting and validating the main risks.
- We inquired as to the existence of internal control and risk management procedures set up by the company.
- We assessed the consistency of the results and key performance indicators used with regard to the main risks and policies presented.
- We verified that the Statement includes a clear and reasoned explanation justifying the absence of policy regarding one or more of these risks.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We assessed the collection process set up by the entity to ensure the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes[1] that in our judgment were of most significance, we carried out:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sampling basis, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities[2] and covered between 18% and 67% of the consolidated data for the key performance indicators and outcomes selected for these tests;
- We consulted documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that in our judgment were of most significance[3];
- We assessed the overall consistency of the Statement in relation to our knowledge of the company.

We believe that the procedures we have performed, based on our professional judgment, are sufficient to provide a basis for a limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

Means and resources

Our work engaged the skills of four people between February and April 2019.
To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around 10 interviews with people responsible for preparing the Statement.

Conclusion

Based on our work, nothing has come to our attention that cause us to believe that the non financial statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above and in accordance with Article A. 225-3 of the French Commercial Code, we make the following comment: as mentioned in the declaration methodological note, workplace accident reporting has limitations on which the group is committed to progress.

Paris-La Défense, April 17, 2019
One of the statutory auditors,

Deloitte & Associés

Joel Assayah	Eric Dugelay
Partner	Partner, Sustainability Services

[1] Group employees by geographical zone ; Share of women in permanent employees ; Total number of hires ; Total number of redundancies ; Absenteeism ; Total number of training hours ; Frequency rate ; Severity rate ; Number of occupational diseases ; Waste tonnage ; Waste reutilization rate ; Electricity, fuel and natural gas consumptions in MWh and in kWh/shipped pallet ; Total GHG emissions in tons and kg/shipped pallet.

[2] Group activities in France

[3] Ensure proper practices in purchasing ; Preventing and fighting corruption ; Territorial, economic and social impact.

2/ RISK FACTORS

2 RISK FACTORS

Investors are invited to take into consideration all the information contained in the Registration Document, including the risk factors described in this chapter, before deciding to subscribe for or purchase shares in the Company. The Company has reviewed the risks that could have a material adverse effect on the Group, its business activity, financial position, earnings, outlook or ability to meet its objectives. The Company believes that, as of the Registration Document Date, there are no other significant risks besides those presented in this chapter.

However, investors' attention is drawn to the fact that the list of risks and contingencies described below is not exhaustive. Other known or unknown risks which, as of the Registration Document Date, are not considered likely to have a material adverse effect on the Group, its business activity, financial position or earnings may exist or become major factors that could have a material adverse effect on the Group, its business activity, financial position, earnings, development or outlook.

In each section below, the risk factors are presented in descending order of importance based on the Company's assessment as of the Registration Document Date. Any new circumstances within or outside the Group could therefore alter this order of importance in the future.

2.1 RISKS RELATED TO THE GROUP'S BUSINESS ACTIVITY AND MARKET

2.1.1 Risks related to the state of the economy

The Group is a major contract logistics operator in France and abroad. Irrespective of the country, the development of the local contract logistics market is related, in particular, to the local state of the economy.

Although the Group benefits from an extensive and diversified geographical positioning, an economic slowdown or decrease in consumption in one or more markets, particularly in France, which accounted for 49% of Group revenues in 2018, could therefore adversely affect the Group's business activity and earnings.

2.1.2 Risks related to the competition

Contract logistics, including ancillary services, is a highly competitive sector in France and in all of the countries in which the Group operates. As such the Group frequently competes with many other companies of different sizes, ranging from multinationals to local companies.

Moreover, since its inception the Group has seen strong growth, boosted by an offering that stands out from the competition given the Group's ability to understand and adapt to customer requirements and given its technical standards, innovative technology and prices. Any change or doubt concerning the Group's ability to stand out from the competition could affect the Group's revenues and earnings.

2.1.3 Risks intrinsic to the activity

Logistics operations are handling operations which, even if they are considerably supported by mechanical and technological resources, nevertheless remain highly manual. Therefore, there is a risk of physical injury to employees. As stated in section 1.13.2.1 "Employment", the Group takes preventive steps and monitors industrial accidents with a view to reducing their frequency and severity. New recruits receive specific training in safety procedures and in correct physical movements and positions for handling goods, as well as a safety booklet explaining all applicable Group rules and regulations. Group accident rates were as follows:

	2018	2017
Frequency rate (1)	25.8	27.5
Severity rate (2)	0.9	0.8

(1) number of lost time industrial accidents (excluding travel accidents) during the year over total payroll hours times 1,000,000

(2) number of days lost due to industrial accidents (excluding travel accidents and extended absences or relapses arising from industrial accidents in prior years) over total payroll hours times 1,000

The Group is also exposed to the risk of road accidents during the performance of the transportation services it may be required to carry out as part of its contract logistics services. Road risk is subject to a specific support and prevention plan that defines the procedures for recruitment, in-house and external training, awareness campaigns and driver monitoring designed to influence driver behavior in order to prevent risks. A driver bonus scheme based on minimizing accidents has been set up.

There is also a risk of destruction or loss of goods or equipment, in particular as a result of fire. The Group installs appropriate fire safety and prevention equipment on its sites, which at a minimum complies with applicable regulations. In addition, the Group's organizational structure is sufficiently responsive to enable it to transfer the operations of a disabled site to a new site within a few days. Buildings, equipment and goods are covered by specific insurance policies for damage, third-party liability etc., as described in section 2.8 of this chapter.

Finally, with regard to the transportation services integrated into the Group's contract logistics operations, the Group is subject to fluctuations in the price of diesel. The Group considers that the risk that diesel price fluctuations could have a material impact on its earnings is limited by indexing provisions, which are commonly included in the Group's contracts.

Despite the measures taken, the occurrence of these risks intrinsic to the Group's logistics business could result in higher insurance premiums or social security charges and could affect its financial position, earnings, development and outlook.

2.1.4 Risks related to international growth

The Group is growing internationally, mainly by supporting its existing customers as part of their own international growth. In 2018, business outside France accounted for 51% of Group revenues.

Establishing a presence in a foreign country usually involves setting up a local administrative structure, as well as the management team required to operate the first warehousing site. This structure and team are subsequently responsible for developing the business of the subsidiary.

Under these conditions, establishment in a foreign country involves overheads that cannot be covered by operations. In addition, subsequent contracts with new customers can entail costs that weigh heavily on the subsidiary's financial results until a certain critical mass is achieved. Finally, throughout this growth period the Group remains locally dependent on a limited number of contracts. The loss of a major contract in a given country could pose a threat to the Group's operations in that country.

The Group's international operations are carried out primarily in fast-growing countries. Such countries are subject to risks to which the Group is also exposed, in particular GDP volatility, relative economic instability (as evidenced by major fluctuations in inflation, interest rates or exchange rates), rapid or major changes in national regulations (e.g. tax, exchange control, foreign investment, etc.), etc.

Finally, without ruling out a similar situation in more developed countries including France, these high-growth countries are exposed to unethical practices. Although it is impossible to protect itself completely against this type of conduct, the Group has implemented control procedures designed to prevent it.

All of these factors could affect the Group's financial position, earnings, development and outlook.

In order to mitigate such risks, which cannot be entirely eliminated, the Group appoints a management team for its various foreign subsidiaries who have solid contract logistics experience and who are familiar with the Group's culture and procedures. In particular, the chief financial officers of the foreign subsidiaries are hired by the Group finance department and have a functional reporting line to the Group finance department as well as reporting operationally to local senior management. They follow a 3-week training course at head office before beginning work and are responsible for disseminating best practices within their subsidiary. They are subject to monthly reporting requirements and have at least one monthly operational review meeting. Funding requirements are centralized with the Group finance department. Every subsidiary is visited at least once a year by a team from Group senior management.

2.1.5 Risks related to outsourcing

The Group may employ external service providers (e.g. temporary employment agencies, equipment rental firms, IT subcontractors, etc.) in conjunction with its contract logistics and ancillary service activities. In order to meet its needs, the Group regularly controls the quality of its subcontractors and maintains a large and diversified subcontractor database. As of the Registration Document Date, the Group is not dependent on any given external supplier in such a way that this might represent a risk to the smooth functioning of the Group's operations.

2.1.6 Risks related to information systems

In conjunction with its operations, the Group uses a certain amount of computer equipment and information systems, in particular to manage and safeguard its daily information flows. These systems are used to organize logistics, customer billing, management of operating staff, financial control of operations and communication to customers of the information required for their inventory management.

The Group pays particular attention to data back-up and rapid data restoration in case of an incident. In France, all emergency and back-up networks are duplicated and managed from two separate cleanrooms operated by a leading service provider.

In order to optimize assets and minimize risks, the management of information systems for certain countries or regions outside France (e.g. Spain, Poland, Indian Ocean and Morocco) is centralized and carried out directly via staff and assets based in France.

Nevertheless, in view of the flow of information managed by the Group, if these information systems failed or if certain databases were destroyed or damaged for any reason whatsoever, the Group's operations could be disrupted. As a result, the Group's financial position and earnings could be adversely affected.

2.1.7 Risks related to real estate

The Group's real estate policy consists in renting its warehouse space for the same periods and under the same lease termination terms and conditions as those applicable to its contracts with its customers. This policy allows the Group to limit the risk of unused space.

However, when competitors that own all or part of their real estate are purchased, the Group may become the owner of certain warehouses. The Group's strategy is therefore to resell these warehouses in the short/medium term after their acquisition, in order to maintain its rental model. However, during this period, the Group may be exposed to the global economic climate and to the risk of fluctuation in the discount rates used to value the warehouse market. A negative movement in these factors could have an adverse effect on the valuation of warehouses and consequently on the Group's financial position and earnings. The net book value of these warehouses was €20.4 million as of December 31, 2018, including development works.

As part of its integrated logistics service offering, the Group may be required to assist its customers in the performance of barycentric analyses, a search for land or oversight of a warehouse construction project, including obtaining building permits during the administrative stage. This type of service entails the risk that it may not be possible to defer, pass on to the customer or cancel, in the case of delay or project cancellation, the costs incurred during the preparatory stages, that the requisite financing may not be obtained on favorable terms or that the actual construction cost is higher than the initial estimate. These risks could in turn have an adverse effect on the Group's financial position and earnings.

As of the Registration Document Date, procedures for passing costs on to customers are applied at almost all of the warehouses managed by the Group. Furthermore, as of the Registration Document Date, there are no leased warehouses that are not in use. With regard to its real estate policy (harmonization of lease periods and lease termination terms and conditions with those applicable to its customer contracts), in the short term the Group does not expect to see any discrepancy between the periods of the contracts and those of the lease agreements.

2.1.8 Risks of dependence on customers

In accordance with its growth strategy, the Group manages a customer portfolio that is diversified in terms of contract type, business sector, service and geographical region. 2018 revenues from the Group's top three customers amounted to 15% of consolidated revenues, evenly balanced between these three customers, and no single contract with any of these customers accounted for as much as 5% of Group consolidated revenues. The Group considers that the risk of loss of any one of these customers having a material adverse effect on the Group's financial performance is limited.

2.1.9 Risks related to managing growth

The Group's business has grown rapidly since its foundation, mainly through organic growth. In the future, this growth will continue to be based on organic growth, possibly supplemented by acquisitions (see section 1.13 "ID Logistics growth strategy").

- Organic growth

The Group's organic growth is based on growth in revenues from existing contracts (e.g. price indexing, increase in volumes handled, initiation of new services, etc.) and on winning new contracts through tenders. Although the Group has acquired considerable experience in gaining new contracts, in particular through the launch or takeover of sites, this type of growth may involve major costs during the start-up phase, in relation to the start of operations on a new site or the takeover of staff, equipment and information systems on existing sites.

- Acquisitions

The Group carries out acquisitions in addition to its organic growth policy, mainly in order to penetrate new customer sectors. However, the Group cannot guarantee its ability to identify, acquire and integrate the best acquisition targets. By their very nature, such operations also involve risks related in particular to the valuation of the assets and liabilities acquired, the integration of staff, business activities and technologies (including information systems) and the development of relations with the relevant customers and partners.

The Group's inability to manage its organic growth, acquisitions or unexpected difficulties encountered during its expansion could have an adverse effect on its business activity, earnings, financial position, growth and outlook.

2.2 REGULATORY AND LEGAL RISKS

2.2.1 Risks related to current and future regulations

Contract logistics, including ancillary services, is a highly regulated activity both in France and in the various countries in which the Group operates.

Such regulations are applied through warehouse operating permits, transport licenses and specific environmental regulations.

The Group undergoes periodic compliance audits with regard to its obligations in France and abroad. In the past, the Group has not suffered any material adverse impact on its financial position or earnings owing to any failure to comply with a regulation. However, in view of the geographical diversity of its sites and the complexity of certain regulations, the Group cannot guarantee that its interpretation of the various regulations will not be challenged and that adverse consequences will not arise therefrom.

In addition to compliance with existing regulations, and even if revision clauses are included in most customer contracts whenever there are major amendments to the regulations, any change in operational, environmental, tax, labor or other regulations could affect the Group's business activities, financial position and earnings.

2.2.2 Environmental risks

By their nature, the Company's activities do not entail material environmental risks. However, the Group ensures that environmental standards are respected, in order to minimize environmental risks, and implements an active policy with regard to sustainable development, as detailed in section 1.13.2.2 of the Registration Document "Environment".

As of the Registration Document Date, the Group stores and handles a certain amount of materials regarded as toxic under Seveso or equivalent regulations (aerosols, car batteries, paint, etc.) and provides the corresponding road transport services. These activities and services are of limited scope compared to the rest of the Group's activities and the Group considers that it is not significantly exposed to environmental risks.

2.2.3 Risks related to litigation to which the Group is party

During the normal course of its activities, the Group is exposed to legal risks in view of its status as an employer, tax-payer, service provider and purchaser of goods and services.

There are no government, court or arbitration proceedings, including any proceedings of which the Group is aware or proceedings which are suspended or impending, that could have or that have over the last 12 months had a material effect on the Group's and/or the Company's financial position or earnings.

2.2.4 Risks related to intellectual property

The Group considers that it owns, or validly holds the rights to use, all intellectual property rights that it exercises in relation to its business activities (in particular with regard to trademarks, logos and domain names) and that it has taken all reasonable steps, compatible with business requirements, to protect its intellectual property rights.

However, and in particular abroad, the Group cannot be sure that it will obtain similar protection to that obtained in France in countries which could become target markets in the future, and cannot rule out unfair competition or fraud committed by a third party.

2.3 FINANCIAL RISKS

The Group financial statements are presented in chapter 4 "Financial Statements" of this Registration Document.

2.3.1 Exchange rate risk

The Group publishes its consolidated financial statements and carries out most of its operations in euros. The Group's subsidiaries situated outside the eurozone trade largely in local currency, which limits the Group's exposure to exchange rate fluctuations.

The difference between assets excluding goodwill and liabilities denominated in currencies other than the euro (i.e. Taiwanese dollar, Chinese yuan, Brazilian real, Polish zloty, Argentine peso, Indonesian rupee, Russian ruble, Moroccan dinar and Romanian leu) amounted to the equivalent of €34.7 million as of December 31, 2018, broken down as follows:

Foreign currency amount €m	TWD	CNY	BRL	PLN	ARS	RUB	ZAR	Other	Total
Assets excluding goodwill	11.0	4.8	32.7	14.0	7.9	9.2	10.6	10.5	100.8
Liabilities	(7.5)	(5.4)	(24.2)	(10.4)	(4.6)	(2.9)	(6.7)	(4.3)	(66.1)
Net assets	3.5	(0.6)	8.5	3.6	3.3	6.3	3.9	6.2	34.7

The Group periodically reappraises its exposure to exchange risk and, as of December 31, 2018, these amounts were not subject to any specific hedging.

The Group cannot rule out the possibility that major growth in its international business could lead to greater exposure to exchange risk. In this case, the Group might decide to adopt a policy of exchange risk hedging. As of the Registration Document Date, the Group considers that its exposure to exchange risk is not material.

2.3.2 Credit risk

Most Group customers are leading international companies in their respective sectors. Owing to the quality of its principal counterparties, the diversification of its customers and its customer credit management system, the Group has never incurred material bad debt losses and considers that it is not exposed to significant credit risk.

2.3.3 Interest rate risk

As stated below, at December 31, 2018 most of the Group's borrowings (in the form of bank loans or finance leases) are contracted by French legal entities.

€m	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years	Total	At floating rates before hedging	At floating rates after hedging
Bank overdrafts	0.2	-	-	0.2	0.2	0.2
Finance leases	8.3	22.9	1.1	32.3	8.1	8.1
Loans	56.3	68.8	6.1	131.3	106.9	69.1
Factoring	5.0	-	-	5.0	5.0	5.0
Other borrowings	0.1	-	-	0.1	-	-
Cash and cash equivalents	(105.9)	-	-	(105.9)	-	-
Net financial (assets) liabilities by maturity	(36.0)	91.7	7.2	63.0	120.2	80.2

At this date, 71% of the Group's borrowings before interest rate hedges are subject to floating interest rates. To provide against an adverse movement in interest rates, the Group has adopted a hedging strategy in the form of swaps (between floating and fixed rates) or caps (floating rate caps). After hedges, 47% of the Group's borrowings as of December 31, 2018 were at floating rates.

As stated under Note 13 to the 2018 Group consolidated financial statements in section 4.8.1 "2018 Group consolidated financial statements", a 1% average increase in interest rates would result in a €0.7 million increase in interest expense under net financial items.

2.3.4 Risks related to cash management

The Group practices prudent management of its available cash. Cash and cash equivalents comprise available cash, call deposits and investments in money market instruments with maturities of no more than three months.

2.3.5 Liquidity risk

The Group periodically reviews its sources of financing in order to maintain sufficient liquidity at any moment. For its financing, the Group relies principally on available cash, factoring, bank overdrafts, finance leases, real estate finance leases and a bank loan.

As of December 31, 2018, the Group held net cash and cash equivalents of €105.7 million and borrowings with the following maturities:

€m	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years	Total
Loan	56.3	68.8	6.2	131.3
Finance leases	8.3	22.9	1.1	32.3
Factoring	5.0	-	-	5.0
Other borrowings	0.1	-	-	0.1
Total	69.7	91.7	7.3	168.7

As stated in section 4.3.4 "Debt finance", the €94.4 million bank loan as of December 31, 2018 is subject to compliance with a financial ratio. This loan will be repaid in annual installments until July 2021. Non-compliance with this ratio, or a lack of prior waiver or approval from the lending banks, may lead to the remaining principal balance falling due immediately as of the date of the non-compliance. As of December 31, 2018, this ratio was in compliance.

As of December 31, 2018, the Group had unused credit lines amounting to €22.5 million reported under borrowings and €12.9 million reported under finance lease liabilities (compared to €19.5 million and €8.6 million respectively as of December 31, 2017).

The Company carried out a specific appraisal of its liquidity risk and considers that it is able to meet its future liabilities as they fall due.

2.3.6 Risks related to goodwill impairment tests

The Group carries out goodwill impairment tests once a year (see notes to the financial statements in section 4.8 of the Registration Document, "Annual historic financial information"). Future events, which are unpredictable by nature, could result in impairment of some of this goodwill.

As of December 31, 2018, the goodwill net book value breaks down by geographical region as follows:

€m	12/31/2018
France	90.8
International	81.9
Total	172.7

Material impairments could have an adverse effect on the Group's financial position and performance for the year in which such charges are recognized.

2.4 RISKS RELATING TO HUMAN RESOURCES

2.4.1 Human resources management

In order to manage and grow the Group's business activities, qualified technicians and managers must be recruited and retained. The success of the Group's operations depends in particular on the experience and commitment of the management team and other key personnel. The Group's ability to retain its employees, to attract and integrate new high-quality staff and to train and promote promising employees is an important factor.

The Group has implemented an active human resources strategy in France and abroad aimed at identifying, attracting, retaining and updating the skills and competencies required for its operations and growth in a highly competitive environment. If the Group lost the services of one or more of its managers or key personnel, the Group considers that most responsibilities held by such individuals could be assumed by other persons, if necessary after a period of adaptation and/or training for the vacant jobs. However, the departure or long-term absence of one or more such persons could have an adverse effect on the Group's strategy or business activity and could adversely affect the implementation of new projects required for its growth and consequently have an adverse effect on the Group's business activity.

In addition, the Group cannot rule out potential severance costs should employment contracts not be renewed, despite options for redeploying staff within the Group.

Furthermore, the Group's operations require a considerable number of temporary employees (29% of the headcount in 2018). These employees are hired through a number of specialized leading employment agencies with which the Group has master agreements, enabling it to procure additional personnel at any given moment in accordance with activity peaks. The Group believes that it is not exposed to a temporary employment risk or a risk of dependence on a sole external service provider (see section 2.1.5 in particular).

The temporary employment agencies are regularly controlled or invited to bid in tender offers organized by the Group. During these controls and tender offers, the Group pays particular attention to the training, safety and security procedures followed by these agencies and to procedures relating to compliance with legislation (Labor Code, immigration law, etc.). Although the Group cannot rule out the possibility of non-compliance in the procedures followed by its temporary employment agencies, it considers that there is only a limited risk that such non-compliance could have a material impact on the Group's financial position or earnings.

All of the aforementioned factors could therefore affect the Group's financial position, earnings, growth and outlook.

2.4.2 Management of industrial relations

The Group's business activities could be disrupted by strikes, employee claims and other labor actions. Given that the Group has no insurance protection covering operating losses from business interruptions caused by labor actions, its business activity, financial position and operating results could be affected. Despite the care applied by the Group with regard to its industrial relations management, it cannot rule out the possibility of deterioration in industrial relations or disruption in labor.

2.5 RISKS RELATED TO THE COMPANY'S SHAREHOLDER STRUCTURE

As of December 31, 2018, the concert comprising (i) Eric Hémar, through Comète, and Immod and (ii) Christophe Satin and Libertad directly and indirectly held 57.64% of the capital stock and 70.93% of voting rights. As such, the concert party is entitled to take decisions alone that fall within the powers of the shareholders' general meeting, such as appointment of corporate bodies, approval of the financial statements, dividend distributions and amendments to the bylaws.

In addition, less than 2% of the Group's customer contracts include a clause regarding changes in control of the Company whereby the customer may request the termination of the contract in question. Since none of these contracts are material, the Group considers that the risks related to changes in control are not material.

2.6 RISK OF DILUTION

As of December 31, 2018, Immod held 29.61% of the Company's capital and 155,520 equity warrants, the main terms and conditions of which are described in section 3.1.1, paragraph f) "Securities giving entitlement to equity". Each warrant carries the right to subscribe for two shares, implying as of December 31, 2018 a 5.51% potential maximum equity dilution of post-dilution capital.

Furthermore, the Board of Directors issued instruments representing a 0.41% total maximum potential dilution of post-dilution capital. A breakdown of these instruments is presented in section 3.1.1, paragraph f) "Potential capital".

Finally, in the future ID Logistics Group may issue or allot shares or new financial instruments giving access to the Company's capital as part of its strategy to incentivize its managers and employees. Any additional allotment or issue would entail a further and potentially material dilution for the Company's shareholders.

2.7 ETHICAL AND NON-COMPLIANCE RISKS

Unethical conduct by Group employees (particularly human rights violations) or a breach of applicable laws and regulations (in terms of corruption or fraud) could expose ID Logistics to criminal and civil sanctions and damage its reputation and share value.

The Group's Code of Ethics, which applies to all of its employees, enshrines ID Logistics' commitment to integrity and compliance with applicable legal requirements, and is founded on a "zero tolerance" approach in the matter. In order to fulfill the regulatory requirements and, in particular, the requirements of the French Sapin 2 Act, the Group has implemented an ethics and anti-corruption program comprising a number of measures:

- Identification of unethical behavior through a whistleblowing system made available to all employees and third parties
- Ethics awareness-raising: target communications, e-learning, supplier charter
- Monitoring and audits: mapping of specific compliance risks, related procedures, supplier assessments, etc.

Despite this program, the Group cannot guarantee that its employees, suppliers, subcontractors or other business partners will comply with the Group's code of conduct and ethical standards or with applicable statutory regulations.

2.8 GROUP INSURANCE POLICIES

The Company pursues a policy of insuring the main insurable risks, with limits and excesses deemed to correspond to the nature of its business. This strategy is managed centrally via master agreements covering all countries in which the Group operates, and is directly managed by the Group legal affairs department.

In 2018, the Group paid a total of €5.4 million in insurance premiums.

- **Liability**

The Group's insurance strategy consists in covering liability risks with policies for the entire Group including foreign subsidiaries. The Group uses only reputed insurance companies and brokers with international networks.
Consequently, foreign subsidiaries are insured through policies taken out locally based on "local market best practices", while the French master policy applies with differences in limits and terms and conditions.
The purpose of the liability insurance policies is to cover:
- The liability of the Group's directors and corporate officers;
- Operational liability risks, trustee's liability, post-delivery and professional liability relating in particular to logistics and inventory management activities, owner's liability, organizer's liability, employer's liability arising from gross negligence, liability relating to subcontractors, liability arising from the temporary occupation of premises belonging to third parties and liability for damage to third-party assets held by the Group;
- Contractual liability and financial consequences for physical damage to goods, as well as any consequential non-physical damage, in particular when performing the Group's transport organizing activities.

Movements in liability insurance budgets have been in line with insurance market trends for liability over the last three years, when premiums have been flat or even reduced.

- **Property damage**

The Group's strategy with regard to property damage insurance is identical to its liability insurance strategy described above.
Property damage insurance is intended to cover physical damage to the Group's property, given that the vast majority of buildings and goods are insured by third parties with mutual waiver of claims.
The general contractual indemnity limit and the wording of the policy are in line with market practice.
Movements in property damage insurance budgets have been in line with insurance market trends for property damage over the last three years, when premiums have been flat or even reduced, varying in accordance with several criteria, including coverage, site protection and risk prevention and claims history.
Over the last three years, there have been no major claims that have not been covered by insurance.

- **Automotive insurance**

The Group's strategy regarding automotive insurance consists in covering the Group and its subsidiaries for all owned and/or leased vehicles or third-party vehicles used in any capacity. Automotive fleet budgets have moved in line with the automotive insurance market, which has tightened largely due to increasing losses caused by higher repair costs and increased personal injury claims.

- **Cyber risk insurance**

The Group has taken out cyber insurance to cover the costs it may incur and/or be ordered to pay in the event of a breach of personal data in its possession, policyholder information systems/data or third-party data.

- **Operating loss insurance**

The Group periodically calculates the benefit-cost ratio of operating loss insurance, and has therefore decided not to take out operating loss insurance. However, property damage policies including coverage against additional operating costs following a non-excluded claim have been taken out.

In view of the above, ID Logistics considers that its level of risk coverage is in accordance with its business activity and that any excess amount that the Group might be required to pay in connection with an insurance claim would not have a material impact on its financial position.

3/ CORPORATE GOVERNANCE

3 CORPORATE GOVERNANCE

3.1 BOARD OF DIRECTORS' CORPORATE GOVERNANCE REPORT

Dear Shareholders,

Pursuant to Article L. 225-37 of the French Commercial Code, your Board of Directors prepared this report on the governance of your Company.

This report was prepared based on information provided by several departments, notably the Group legal affairs and finance departments, and then passed to the Audit Committee for discussion and review before being approved by the Board of Directors on March 13, 2019 and subsequently submitted to the statutory auditors.

3.1.1 Capital stock

a) Amount of capital stock

At December 31, 2018, the Company's capital stock amounted to €2,821,237.50 divided into 5,642,475 fully paid-up shares with a par value of €0.50 each.

b) Changes in capital stock since incorporation of the Company

Date	Nature of transactions	Capital stock (€)	Issue premium (€) (*)	Number of shares created	Par value (€)	Company's capital stock (€)
September 12, 2001	Incorporation	40,000	-	4,000	10.00	40,000
January 21, 2002	Share issue	874,720	-	87,472	10.00	914,720
March 28, 2002	Share issue	381,100	-	38,110	10.00	1,295,820
December 21, 2009	Share issue	757,110	22,887,435.30	75,711	10.00	2,052,930
June 21, 2010	10-for-1 stock split	-	-	1,847,637	1.00	2,052,930
March 7, 2012	2-for-1 stock split	-	-	2,052,930	0.50	2,052,930
April 17, 2012	Share issue	684,310	28,056,710	1,368,620	0.50	2,737,240
July 22, 2013	Share issue	54,200.50	3,945,796.40	108,401	0.50	2,791,440.50
September 27, 2014	BSA share warrant issue	-	99,960	-	-	2,791,440.50
2015	Capital increase by exercise of BSPCE	1,500	203,970	3,000	0.50	2,792,940.50
2016	Capital increase by exercise of BSPCE	2,000	271,960	4,000	0.50	2,794,940.50
2017	Capital increase by exercise of BSPCE/BSA and warrants	6,247	843,212	12,494	0.50	2,801,187.50
2018	Capital increase by exercise of BSPCE/BSA and warrants	20,050	2,556,968	40,100	0.50	2,821,237.50

(*) The issue premiums above are stated at gross value, whereas their values net of capital increase costs are noted in the financial statements.

- The January 21, 2002 and March 28, 2002 share issues were carried out by incorporation of the founders' and certain managers' shareholders' accounts credited since the setting up of the Company for the purposes of financing its activities.
- The December 21, 2009 share issue was fully subscribed by Immod. It is in payment for the acquisition by the Company from Immod of a 29.5% shareholding in the La Financière de Commerce et de Participations (Ficopar) subsidiary.
- The April 17, 2012 IPO was subscribed in cash.
- The July 22, 2013 share issue was carried out in consideration for the receipt of 151 bonds issued by Compagnie Financière de Logistique, the CEPL group parent company, in conjunction with the CEPL acquisition.
- As authorized by a resolution of the March 19, 2014 extraordinary general meeting, on August 27, 2014 the Board of Directors offered 17,000 redeemable equity warrants (BSAR) at a subscription price of €68.53 per warrant. All warrants were exercised between August 27 and September 20, 2014.
- As authorized by a resolution of the March 19, 2014 extraordinary general meeting, on March 25, 2014 the Board of Directors decided to issue 40,000 founders' warrants (BSPCE). All of these warrants were exercised between 2015 and 2018, giving rise to the creation of 40,000 new shares with a unit value of €68.49.

c) Securities not giving entitlement to equity

None.

d) Changes in shareholders

The breakdown of the Company's capital and exercisable voting rights over the last three fiscal years has been as follows:

	31/12/2016		31/12/2017		31/12/2018	
	Number of shares	Number of voting rights	Number of shares	Number of voting rights	Number of shares	Number of voting rights
Immod (1)	1,670,870	3,336,316	1,670,870	3,336,316	1,670,870	3,336,316
Eric Hémar	1,296,460	2,592,920	1,296,460	2,592,920	1,296,460	2,592,920
Libertad (1)	274,052	274,052	244,052	244,052	206,301	206,301
Christophe Satin	78,919	157,838	78,919	157,838	78,919	157,838
Subtotal held in concert	3,320,301	6,361,126	3,290,301	6,331,126	3,252,550	6,293,375
Others (2)	224,111	453,645	218,667	437,807	204,664	394,417
Public float	2,038,969	2,038,969	2,085,479	2,085,479	2,176,221	2,176,221
Treasury shares	6,500	6,500	7,834	7,834	9,040	9,040
Total	5,589,881	8,860,240	5,589,881	8,862,246	5,642,475	8,873,053

	31/12/2016			31/12/2017			31/12/2018		
	% capital	% theoretical voting rights	% exercisable voting rights	% capital	% theoretical voting rights	% exercisable voting rights	% capital	% theoretical voting rights	% exercisable voting rights
Immod (1)	29.89%	37.65%	37.68%	29.82%	37.65%	37.68%	29.61%	37.60%	37.64%
Eric Hémar	23.19%	29.26%	29.29%	23.14%	29.26%	29.28%	22.98%	29.22%	29.25%
Libertad (1)	4.90%	3.09%	3.10%	4.36%	2.75%	2.76%	3.66%	2.33%	2.33%
Christophe Satin	1.41%	1.78%	1.78%	1.41%	1.78%	1.78%	1.40%	1.78%	1.78%
Subtotal held in concert	59.40%	71.79%	71.85%	58.73%	71.44%	71.50%	57.64%	70.93%	71.00%
Others (2)	4.01%	5.12%	5.12%	3.90%	4.94%	4.94%	3.63%	4.45%	4.45%
Public float	36.48%	23.01%	23.03%	37.23%	23.53%	23.55%	38.57%	24.53%	24.55%
Treasury shares	0.12%	0.07%	-	0.14%	0.09%	-	0.16%	0.10%	-
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) As of December 31, 2018, 100% of IMMOD's capital stock was indirectly held by Mr. Eric Hémar, via Comète. Libertad is owned 90% by Christophe Satin and 10% by his wife.

(2) The other shareholders are current or former Group employees, none of whom individually hold more than 2% of the capital stock or voting rights.

In view of the relations between Messrs Hémar and Satin since the Company's inception, their respective offices and their common status as shareholders of Immod SAS, itself a shareholder in the Company, Messrs Hémar and Satin and Immod SAS have formalized their relationship by signing a shareholder agreement to act in concert (AMF decision no. 212C053). A supplemental agreement was executed on January 19, 2016 whereby Libertad SARL adhered to the aforementioned shareholder agreement (AMF decision 216C0276).

The main change over the last three years concerns a transaction performed on January 19, 2016, within the concert: Immod, which held a 34.82% equity interest in ID Logistics Group, transferred 274,052 ID Logistics Group shares to Libertad, a company wholly owned by Christophe Satin and his wife. Mr. Satin already held a 1.77% equity interest in ID Logistics Group. In exchange for this transfer, Christophe Satin disposed of his 14.13% equity stake in Immod, which is now wholly-owned by Eric Hémar. This transaction did not result in any changes to the concert's shareholding in ID Logistics Group, which remained at 59.80% as of January 19, 2016.

e) Authorized capital

Current delegations and authorizations granted to the Company with regard to capital increases include:

	General meeting date	Delegation expiry date	Cap (par value)	Use during year ended 12/31/2018	Balance at 12/31/2018
Issue of shares and/or securities providing immediate and/or future access to the Company's capital stock, with continued effectiveness of preferential share subscription right	5/23/2017	7/22/2019	Shares: €1,200,000 Debt securities: €50,000,000	None	Shares: €1,200,000 Debt securities: €50,000,000
Issue without preferential share subscription right, by a public offering of shares and/or of securities providing immediate	5/23/2017	7/22/2019	Shares: €1,200,000 Debt securities:	None	Shares: €1,200,000 Debt securities: €50,000,000

and/or future access to the Company's capital stock and option to confer a priority right			€50,000,000		
Capital increase immediately or in future by an issue of shares of common stock or of any securities providing access to the capital stock, capped at 20% of the capital stock per annum, without any shareholders' preferential share subscription right, by way of an offering to qualified investors or to a close circle of investors within the meaning of paragraph II of Article L-411-2 of the French Monetary and Financial Code (private placement)	5/23/2017	7/22/2019	Shares: €1,200,000 and capped at 20% of capital stock per year Debt securities: €50,000,000	None	Shares: €1,200,000 and capped at 20% of capital stock per year Debt securities: €50,000,000
Capital increase by way of issue of shares and/or of securities providing immediate and/or future access to the Company's capital stock without preferential share subscription right, as consideration for contributions in kind of capital securities or securities providing access to the capital stock	5/23/2017	7/22/2019	Capped at 10% of capital stock per annum	None	Capped at 10% of capital stock per annum
Capital increase by capitalization of reserves, profits or additional paid-in capital	5/23/2017	7/22/2019	€1,200,000	None	€1,200,000
Capital increase by way of issue of shares for subscribers to a corporate savings plan implemented pursuant to Articles L. 3332-18 to L. 3332-24 et seq. of the French Labor Code, with no preferential share subscription right in favor of such subscribers	5/23/2018	7/23/2020	Capped at 3% of post-issue capital stock as of the Board of Directors' decision to perform this increase	None	Capped at 3% of post-issue capital stock as of the Board of Directors' decision to perform this increase
Power to issue equity warrants	5/23/2018	11/22/2019	€290,000 par value	None	€290,000 par value
Authorization to be given to the Board of Directors to grant Company share subscription or purchase options in favor of Group employees and corporate officers	5/25/2016	7/24/2019	3% of capital stock as of the 5/25/2016 general meeting	None	3% of capital stock as of the 5/25/2016 general meeting
Authorization to be given to the Board of Directors to grant new or existing bonus shares, in favor of Group employees and corporate officers	5/25/2016	7/24/2019	3% of capital stock as of the 5/25/2016 general meeting	14,735 shares have been granted in 2018	137,790 shares

It will be recommended to the May 23, 2019 annual general meeting that these authorizations be renewed (see Section 6 of the Registration Document).

f) Potential capital

- Equity warrants (BSA)

Immod, which held 29.61% of the Company's capital at December 31, 2018, also holds 155,520 equity warrants representing a 5.51% maximum potential dilution of post-dilution capital, the main features of which are:

General meeting date	October 13, 2008
Board of Directors meeting date	October 13, 2008, modified on June 21, 2010
Total number of warrants issued	155,520
Maximum number of shares that may be subscribed by IMMOD	311,040
Earliest exercise date	October 13, 2008
Expiry date	not set
Exercise price	€4.50

Terms of exercise	1 equity warrant = 2 shares
Number of shares subscribed as of the Registration Document Date	None
Number of canceled or lapsed warrants to date	None
Number of shares potentially subscribed as of the Registration Document Date	311,040
Warrants outstanding as of the Registration Document Date	155,520

- Bonus shares

The combined general meeting of May 25, 2016 delegated authority to the Board of Directors to grant bonus shares. Under this delegation, the Board of Directors decided on the following allotments:

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 4-2	Plan 5
General meeting date	5/25/2016	5/25/2016	5/25/2016	5/25/2016	5/25/2016	5/25/2016
Board of Directors meeting date	5/25/2016	5/25/2016	5/25/2016	12/9/2016	1/17/2018	5/23/2018
Total number of bonus shares granted	8,000	5,000	94	1,957	1,746	12,989
Total number of shares that may be subscribed by corporate officers	-	-	-	-	-	-
Vesting date (1)	5/25/2021	5/25/2018 for 2,500 shares and 5/25/2020 for 2,500 shares	5/25/2017	12/9/2019	(2)	5/23/2021
End of lock-in period	n/a	n/a	5/25/2018	n/a	(3)	5/23/2021
Number of shares subscribed as of the Registration Document Date	0	2,500	0	0	0	0
Total number of lapsed or canceled shares	4,000	0	0	0	0	0
Bonus shares granted and outstanding at year-end	4,000	2,500	0	1,957	1,746	12,989

(1) bonus shares shall vest subject to the following criteria:

- plans 1 and 2: continued employment, co-investment and an external performance criterion relating to the stock market performance of the Company's share.

- plans 3, 4, 4-2: continued employment only.

(2) The shares granted break down into two tranches, Tranche A and Tranche B, where the number of shares granted under Tranche B is equal to 50% of the number of shares granted under Tranche A. The vesting periods are one year for Tranche A, i.e. until January 17, 2019 and three years for Tranche B, i.e. until January 17, 2021.

(3) The lock-in period for Tranche A is one year, i.e. until January 17, 2020. There is no lock-in period for Tranche B.

- Equity warrants ("BSA") and founders' warrants ("BSPCE")

The March 19, 2014 extraordinary general meeting gave authority to the Board of Directors to issue up to 40,000 BSPCEs (founders' warrants) without shareholder preferential subscription rights to a named individual and authority to issue up to 20,000 equity warrants to a given category of persons, namely employees and directors of the Company or a Company subsidiary.

Under these authorizations:

i. The March 25, 2014 Board of Directors meeting decided to allocate 40,000 founders' warrants to a Company salaried manager who is not a corporate officer.

The details of this scheme are as follows:

General meeting date	March 19, 2014
Board of Directors meeting date	March 25, 2014
Maximum number of warrants to be issued	40,000
Maximum number of shares that may be acquired *of which by corporate officers*	40,000 *None*
Earliest exercise date	March 25, 2015
Expiry date	Monday, March 25, 2019
Exercise price (1)	€68.49

Terms of exercise [(2)]	1 share for 1 warrant
Number of shares subscribed as of the Registration Document Date	40,000
Number of canceled or lapsed warrants to date	0
Founders' warrants outstanding as of the Registration Document Date	0

(1) Subject to future adjustments, each warrant will entitle the holder to subscribe for one Company share of common stock at the exercise price, which is equal to the volume-weighted average price of the Company share over the forty trading sessions immediately preceding March 24, 2014, i.e. €68.49 per share.
(2) Provided the warrant holder does not leave before March 25, 2015, he may exercise 20,000 warrants from March 25, 2015 inclusive to March 25, 2019 exclusive ("Tranche 1").
Provided the warrant holder does not leave the Company before March 25, 2017, he may exercise his current holdings amounting to 20,000 founders' warrants plus any unexercised Tranche 1 warrants, from March 25, 2017 inclusive to March 25, 2019 exclusive, on the understanding that all warrants not exercised by the end of this period will be automatically void and canceled.
Note that the term "leave" refers to when the warrant holder's duties within the Company are terminated for any reason whatsoever, and that the leaving date shall be determined as follows, depending on the circumstances: (i) in the event of redundancy, the postmark date of the first redundancy letter; (ii) in the event of resignation, the date when the employer receives the resignation letter; (iii) in the event of voluntary or compulsory retirement, the date of receipt of the letter of notice; (iv) in the event of contractual termination of the employment contract with the Company, the date of signing of the termination agreement; (v) in the event of death, the date of death; and (vi) in the event of 2nd or 3rd category permanent disability as defined under Article L. 341-4 of the French Social Security Code, the date when the disability arises, provided that the consultant doctor of the relevant social security fund (caisse de sécurité sociale) has classified the warrant holder as a disabled person.

Founders' warrants granted to the top ten non corporate officer employee beneficiaries and options exercised by them	Total number of warrants granted	Exercise price
Warrants granted during the year by the issuer and any company included within the warrant allocation scope, to the ten employees of the issuer, or any company included in this scope, to whom the largest number of warrants is granted. (Global information)	None	None
Warrants held against the issuer and companies referred to above, exercised during the year by the ten employees of the issuer and said companies who exercised the largest number of warrants. (Global information)	40,000 BSPCEs were granted in 2014. 24,000 BSPCEs were exercised in 2018.	€68.49

ii. The August 27, 2014 Board of Directors meeting decided to assign 17,000 redeemable equity warrants ("BSAR") to Group employees.

The details of this scheme are as follows:

General meeting date	March 19, 2014
Board of Directors meeting date	August 27, 2014
Maximum number of warrants to be issued	17,000
Maximum number of shares that may be acquired *of which by corporate officers*	17,000 *None*
Earliest exercise date	August 27, 2014
Expiry date	August 27, 2019
Exercise price [(1)]	€68.53
Terms of exercise [(2)]	1 share for 1 warrant
Number of shares subscribed as of the Registration Document Date	17,000
Number of canceled or lapsed warrants to date	None
Number of shares potentially subscribed as of the Registration Document Date	0
Warrants outstanding as of the Registration Document Date	0

(1) Subject to future adjustments, each warrant will entitle the holder to subscribe for one Company share of common stock at the exercise price, which is equal to the volume-weighted average price of the Company share over the forty trading sessions immediately preceding August 27, 2014, i.e. €68.53 per share.

- Stock options

The Company did not grant any stock options.

Accordingly, the maximum potential dilution is as follows:

Board meeting date	Type of instrument	Total initial number	Total outstanding at 12/31/2018	Potential dilution [(1)]

10/13/2008	Equity warrants (BSA)	155,520	155,520	5.51%
5/25/2016	Performance shares	13,000	6.500(2)	0.12%
12/9/2016	Bonus shares	1,957	1,957	0.03%
1/17/2018	Bonus shares	1,746	1,746	0.03%
5/23/2018	Bonus shares	12,989	12,989	0.23%

(1) *Maximum potential equity dilution of post-dilution capital*

(2) *Following cancellation of 4,000 shares, which could not fully vest due to the departure of one of the bonus share beneficiaries, and of 2,500 fully vested shares in 2018*

g) Voting rights of the principal shareholders

Pursuant to Article 25 of the Company bylaws, each Company share carries one voting right. However, pursuant to a resolution passed at the June 21, 2010 shareholders' general meeting, a double voting right compared to other shares representing the same proportion of equity is granted to all fully paid-up shares, which can be proved to have been registered in the name of the same shareholder for at least the last four consecutive years.

h) Breakdown of voting rights

The Company's capital stock and voting rights as of December 31, 2018 are detailed in the following table:

Shareholders	Number of shares	Number of voting rights	% capital stock	% theoretical voting rights	% exercisable voting rights
Immod (1)	1,670,870	3,336,316	29.61%	37.60%	37.64%
Eric Hémar (1)	1,296,460	2,592,920	22.98%	29.22%	29.25%
Libertad (1)	206,301	206,301	3.66%	2.33%	2.33%
Christophe Satin (1)	78,919	157,838	1.40%	1.78%	1.78%
Subtotal held in concert	3,252,550	6,293,375	57.64%	70.93%	71.00%
Others (2)	204,664	394,417	3.63%	4.45%	4.45%
Public float	2,176,221	2,176,221	38.57%	24.53%	24.55%
Treasury shares	9,040	9,040	0.16%	0.10%	0%
TOTAL	5,642,475	8,873,013	100%	100%	100%

(1) *As of December 31, 2018, 100% of IMMOD SAS' capital stock was indirectly held by Mr. Eric Hémar, via Comète SARL. Libertad SARL is owned 90% by Christophe Satin and 10% by his wife.*

(2) *The other shareholders are current or former Group employees, none of whom individually hold more than 2% of the capital stock or voting rights.*

The discrepancy between the number of shares and the number of voting rights is due to some double voting rights. The discrepancy between theoretical voting rights and exercisable voting rights is to treasury shares owned by the Company.

The Company is not aware of any other shareholder who, directly or indirectly, acting alone or in concert, holds over 5% of the capital or voting rights.

At the date of this Registration Document, and to the best of the Company's knowledge, there has been no significant change in the breakdown of the Company's capital since December 31, 2018.

As stated in section 5.3.3 of this Registration Document, a double voting right is conferred upon shares that have been registered in the name of the same shareholder for at least four years. This principle explains any differences between the equity interest percentage and the voting rights percentage in the above table. The difference between the theoretical and actual voting rights percentages arises from treasury shares.

i) Control of the company

As of December 31, 2018, Eric Hémar held:

- 22.98% of the Company's capital stock and 29.25% of the exercisable voting rights directly, and
- 29.61% of the Company's capital stock and 37.64% of the exercisable voting rights indirectly via Immod, in which he holds 100% of the capital via Comète.

Eric Hémar therefore directly and indirectly held 52.59% of the capital and 66.82% of the exercisable voting rights (excluding treasury stock) and, acting in concert with Christophe Satin and Libertad, 57.64% of the capital and 71.00% of the exercisable voting rights.

The Company is controlled as stated above. Steps taken to ensure that control is not abused include the presence of three independent directors and one independent advisor on the Board of Directors.

The following shareholder agreements are or were previously in force:

- The first concerns an agreement between Eric Hémar and Christophe Satin together with former and current Group employees holding 4.01% of the Company's capital stock as of December 31, 2016. Most of these individuals became shareholders in 2006, when Banque Lazard's equity stake was purchased by the managers (see section 1.2 "Milestones in the Company's development"). There is no family bond or common interest between the directors and these individuals such that they could be deemed to be acting in concert. Under the shareholder agreement, Eric Hémar will have a priority right to acquire shares should the other shareholders sell or transfer their shares.

  Shareholders bound by the aforementioned shareholder agreement must notify Eric Hémar of their intention to sell or transfer their shares, specifying the number of shares, the manner of sale or transfer, details of the intended transferee and price and terms of sale or transfer. The priority purchase right shall be exercised, if applicable, within three days from receipt of the notification.

  The agreement was signed for a 5-year term following the Company's IPO, expiring on April 18, 2017. As of December 31, 2018, this agreement is no longer in force.

- Moreover, in view of the relations existing between Messrs Hémar and Satin since the Company's incorporation, their respective offices and their common status as shareholders of Immod (through Comète in Eric Hémar's case), itself a shareholder of the Company, Messrs Hémar and Satin and Immod have formalized their relationship by signing a second shareholder agreement that represents an action in concert.

  The main clauses of the shareholder agreement stipulate that the parties shall cooperate as follows: The parties undertake to cooperate prior to any decision justifying a common position or materially impacting the number or percentage of voting rights they hold in the Company.

  The parties meet: (i) prior to all Company ordinary and extraordinary shareholders' meetings, (ii) in the event of a declaration from a third party acting alone or in concert that such third party has crossed the 2% threshold of the Company's capital and voting rights, (iii) in the event of a public tender offer from a third party for the capital stock of ID Logistics Group SA, and (iv) in the event of an issue of stock or any other securities enabling holders immediately or in the future to acquire an equity interest in ID Logistics Group SA.

  The shareholder agreement was signed for a 10-year term with effect from March 7, 2012 and will terminate early vis-à-vis: (i) any party who ceases to carry out his duties in the Company or in a company controlled by the Company, (ii) any party who no longer holds ID Logistics Group stock, (iii) all parties as of the date when the parties, separately or together, no longer hold at least 30% of the Company's capital or voting rights and (iv) all parties, should all parties mutually agree to terminate the shareholder agreement early (AMF decision 212C0523).

  Finally, in keeping with this agreement and following the aforementioned transaction carried out within the concert on January 19, 2016, a supplemental agreement to the shareholder agreement was executed on January 19, 2016 whereby Libertad SARL adhered to the aforementioned shareholder agreement (AMF decision 216C0276).

j) Crossing of statutory thresholds

In the last three fiscal years, the following statutory thresholds have been declared crossed:

- In letters received November 24, 2016, Christophe Satin declared, by way of rectification, that on November 14, 2016, directly and indirectly, via Libertad, which he controls, he had fallen below the threshold of 5% of the voting rights of ID Logistics Group and that he held, at that date and to date, 356,971 ID Logistics Group shares representing 439,890 voting rights, i.e. 6.39% of the Company's capital and 4.96% of the voting rights.
  This threshold crossing resulted from the sale of ID Logistics Group shares on the market.
  At this date, the concert comprising Eric Hémar and Christophe Satin, as well as the companies that they control, did not cross any thresholds and held, as of November 24, 2016, 3,324,301 ID Logistics Group shares representing 6,369,126 voting rights, i.e. 59.47% of the Company's capital and 71.74% of the voting rights (AMF decision 216C2652).

- By letter received January 25, 2016 detailing the aforementioned share transaction performed on January 19, 2016, within the concert comprising Eric Hémar (and Immod SAS, the simplified joint stock company that he controls) and Christophe Satin:
  - Eric Hémar declared that, directly and indirectly, via Immod, which he controls, he had fallen below the threshold of two thirds of the voting rights of ID Logistics Group and that he held 2,967,330 ID Logistics Group shares, representing 5,929,236 voting rights, i.e. 53.12% of the capital and 66.57% of the voting rights in the Company.
    On the same date, Immod declared that it had individually fallen below the threshold of 30% of ID Logistics Group's capital.

- Christophe Satin declared that, directly and indirectly, via Libertad, which he controls, he had exceeded the thresholds of 5% of the capital and voting rights of ID Logistics Group, and held 372,971 ID Logistics Group shares, representing 471,890 voting rights, i.e. 6.68% of the capital and 5.30% of the voting rights in the Company.
- The concert comprising Eric Hémar and Christophe Satin, as well as the companies that they control, did not cross any thresholds and held, as of January 19, 2016, 3,340,301 ID Logistics Group shares, representing 6,401,126 voting rights, i.e. 59.80% of the capital and 71.87% of voting rights in the Company (AMF decision 216C0276).

k) Agreements that may result in a change of control

There is no particular clause in the Company's deed of incorporation, bylaws, any charter or regulations that could result in delaying, postponing or preventing a change in control of the Company.

To the Company's knowledge, with the exception of the shareholder agreement between Messrs Hémar and Satin, Libertad and Immod, as of the Registration Document Date there are no other agreements or actions in concert between the Company's shareholders that could result in a change of control over the Company.

l) Mechanisms for delaying, deferring or preventing a change of control

The Company bylaws do not contain any mechanism for delaying, deferring or preventing a change of control.

m) Statement of pledges

To the Company's knowledge, as of the Registration Document Date there are no pledges over the Company's shares.

n) Dutreil Pact

To the Company's knowledge, there is no Dutreil pact in force.

o) Information on capital stock of any Group member subject to an option or conditional or unconditional agreement providing for an option in respect thereof

As far as the Company is aware, there is no call or put option or undertaking in favor of the Company's shareholders or granted by them in respect of the Company's shares.

p) Summary statement of share transactions carried out by Company directors or officers as defined under Article L. 621-18-2 of the French Monetary and Financial Code

During 2018, the following transactions on Company shares were reported by directors or officers:

Director or officer Position in the Company	Christophe Satin* Director and Deputy CEO
Disposals	
- Total number of shares sold	37,751
- Total sales value (€000)	5,860
Acquisitions	
- Total number of shares purchased	-
- Total purchase value (€000)	-

** transactions performed via Libertad, controlled by Christophe Satin*

3.1.2 Corporate governance code

The Company applies the corporate governance code for MiddleNext listed companies. This code can be viewed at: *www.middlenext.com.* All of the recommendations were adopted by the Company in 2018.

The Board of Directors has reviewed the Middlenext Code points requiring special attention. Specifically:
- the new points requiring special attention set out in the September 2016 revision of the Middlenext Code,
- points concerning the Board's supervisory powers were discussed in conjunction with assessing the work of the Board of Directors in March 2019 for fiscal 2018,
- points concerning executive and sovereign powers were reviewed at the March 13, 2019 Board of Directors meeting during its discussions on the operations of the Board of Directors and the merits of establishing an Appointments and Remuneration Committee.

3.1.3 The Board of Directors and committees

a) Members of the Board of Directors

The Board of Directors consists of eight directors and one independent advisor. Their term of office runs for three years.

In 2018, Michèle Cyna, Muriel Mayette-Holtz and Jesus Hernandez have been reappointed as directors. These reappointments allow the Company to benefit from the experience of these three members and to maintain stability among the Borard of Directros.

In addition, the reappointment of Ms. Cyna and Ms. Mayette-Holts allows the Company to maintain gender balance on the Board and the reappointment of Mr. Hernandez gives the opportunity to have a foreign citizen as a member. Ms. Michèle Cyna has also been reappointed as a member of the Audit Committee.

Membership of the Board of Directors has been arranged so as to involve the Group's controlling shareholder representatives in the definition, implementation and monitoring of the Group's growth strategy, while ensuring that the Group benefits from the diverse international professional experience of its Board members.

As of the Registration Document Date, the Company's Board of Directors consists of the following members:

Name	Age	Nationality	Position	Date of appointment *(Date first appointed)*	Expiry of term of office (after annual general meeting)	Number of shares held	Independent member
Eric Hémar	55 years	French	Chairman and CEO	5/25/2016 *(6/21/2010)*	2019	1,296,460	No
Immod(1), represented by Marie-Aude Hémar	54 years	French	Director	5/25/2016 *(6/21/2010)*	2019	1,670,870	No
Christophe Satin	48 years	French	Deputy CEO Director	5/25/2016 *(5/29/2013)*	2019	78,919	No
Jesus Hernandez	60 years	Spanish	Director	5/23/2018 *(5/21/2015)*	2021	20,000	No
Michel Clair(2)	71 years	French	Independent director Chairman of the Audit Committee	5/23/2017 *(6/22/2011)*	2020	6,700	Yes
Michèle Cyna	63 years	French	Independent director Member of the Audit Committee	5/23/2018 *(5/21/2015)*	2021	-	Yes
Muriel Mayette-Holtz	55 years	French	Independent director	5/23/2018 *(5/21/2015)*	2021	-	Yes
Pascal Teranne	60 years	French	Employee representative director	8/30/2017	2020	3,400	n/a

(1) At the Registration Document Date, 100% of IMMOD's capital stock was indirectly held by Mr. Eric Hémar via Comète, in which he holds a 96.61% stake, the remainder being held by his family.
(2) Investment held directly and indirectly via Clair Grenelle SAS

Mr. Jacques Veyrat, 56 years old and a French national, also attends Board meetings as an independent advisor. He was appointed as independent advisor by the Board of Directors on August 28, 2013, with effect from September 1, 2013. At the end of general meeting of May 25, 2016, the Board of Directors reappointed him as independent advisor for a further three-year term expiring at the close of the general meeting held in 2019 to approve the financial statements for the year ended December 31, 2018. It is the intention of the Board meeting to be held after the general assembly to reappoint Mr. Jacques Veyrat as an independent advisor.

It will also be recommended to the May 23, 2019 combined general meeting that Eric Hémar, Christophe Satin be reappointed as directors, and that Comète be appointed as Immod's replacement, given that Immod is wholly-owned by Comète. Comète is a French private limited company (SARL) with capital stock of €162,400, having its registered office at 23 rue de la Comète, 75007 Paris, France, and registered in the Paris Trade and Companies Register under number 438 726 762. Eric Hémar holds 96.61% of the share capital, his wife Marie-Aude Hémar holds 2.46% and his children Etienne Hémar, Marie-Astrid Hémar and Lucien Hémar all hold 0.31% each.

Should Mr. Eric Hémar be reappointed as director during this general meeting, it will be recommended that, after the general meeting, the Board of Directors reappoint him as Chairman of the Board of Directors. And should Mr. Christophe Satin be reappointed as director during this general meeting, it will be recommended that, after the general meeting, the Board of Directors reappoint him as Deputy CEO.

Subject to the director reappointments set out above, the Board of Directors shall continue to comprise seven members, excluding the employee representative director, including three women (43%), thereby maintaining gender balance on the Board.

Under the third recommendation of the Middlenext corporate governance code for small and mid caps, the criteria for classifying a Board member as independent are as follows:

Criteria	Michel Clair	Michèle Cyna	Muriel Mayette-Holtz
- has not been, over the last five years, and is not currently an employee or executive corporate officer of the company or a group company;	Yes	Yes	Yes
- has not been, over the last two years, and is not currently in a material business relationship with the company or its group (customer, supplier, competitor, service provider, creditor, banker, etc.);	Yes	Yes	Yes

- is not a major shareholder in the company, and does not hold a significant percentage of the voting rights;	Yes	Yes	Yes
- has no close relationship or family ties with a corporate officer or major shareholder;	Yes	Yes	Yes
- has not been, over the last six years, a statutory auditor of the company.	Yes	Yes	Yes

Among the Board members, given that Mr. Michel Clair, Ms. Michèle Cyna and Ms. Muriel Mayette-Holtz meet all criteria listed in the code, they are deemed to be independent. Therefore, the Company complies with the third recommendation of Middlenext code.

Mrs. Marie-Aude Hémar, Immod's permanent representative, is the wife of Mr. Eric Hémar. There are no other family links between the other members listed above.

To the Company's knowledge, as of the Registration Document Date no Board of Directors or senior management members within the last 5 years have:

- been sentenced for fraud;
- been involved in bankruptcy, sequestration or liquidation proceedings;
- incurred official public sanctions or penalties imposed by statutory or regulatory authorities;
- been prohibited by a court from acting as a member of an administrative, management or supervisory body of an issuer or from being involved in the management or conduct of the business of an issuer.

b) <u>Conflicts of interest among members of the administrative and management bodies and senior management</u>

As of the Registration Document Date, the Chairman and CEO and the directors, who make up the management team, are direct or indirect shareholders in the Company and/or holders of securities giving access to the Company's capital.

To the Company's knowledge, and as of the date this Registration Document was prepared, there is:

- no conflict of interest between the duties of each member of the senior management team and Board of Directors towards the Company as corporate officers and their private or other interests.
- no arrangement or agreement with the principal shareholders or with any customers, suppliers or other persons appointing any of the members of the senior management team and the Board of Directors.
- no restriction on senior management and Board of Directors members in relation to the sale or transfer of their equity investment in the Company, with the exception of the aforementioned shareholder agreement.

There are related party agreements which are described under sections 3.3.4 "Contracts between directors and the Company" and 4.10 "Transactions with related parties".

c) <u>Director information</u>

- **Eric Hémar**

Chairman and CEO
Business address: 55, chemin des Engranauds, 13660 Orgon

Eric Hémar, a former student of ENA, began his career at the *Cour des Comptes* (French government Court of Audit) before joining the French Ministry of Equipment, Transport and Tourism in 1993, where he was technical advisor to minister Bernard Bosson. In 1995, he began working for the Sceta group, followed by Geodis as Corporate Secretary. He left Geodis Logistics in March 2001 to found the ID Logistics group. Eric Hémar has been Chairman and Chief Executive Officer of the Company since the June 21, 2010 shareholders' general meeting, prior to which he was Chairman of the Company.

List of functions and offices exercised as of the Registration Document Date

Principal function

- Chairman and Chief Executive Officer of ID Logistics Group SA, the ID Logistics group holding company

Other offices within the Group

- Chairman: ID Logistics, ID Logistics France, ID Logistics France 3, ID Logistics Mayotte, ID Logistics Océan Indien, La Financière de Commerce et Participations (Ficopar), IDL Supply Chain South Africa (Pty) Ltd, IDL Fresh South Africa (Pty) Ltd, ID Logistics Belgium, ID Logistics France 4
- General Manager: FC Logistique R&D, ID Logistics Maroc, ID Logistics Training, IDL Bucharest, IDLOGS UK
- Member of the Supervisory Board: Dislogic
- Director: ID Logistics China Holding Hong-Kong, ID Logistics Nanjing, ID Logistics Polska, ID Logistics Taiwan, IDE Enterprise Co, ID Logistics Business Consulting, ID Logistics Switzerland, ID Logistics Hungary

Other offices outside the Group

- Chairman: Les Parcs du Lubéron Holding, TLF
- General Manager: Comète, SCI Fininco
- Director: COFACE (Chairman of the Audit Committee)

List of functions and offices having expired during the last five years

- Chairman: Timler, ID Assets
- Director: ID Logistics Maurice

• **IMMOD, represented by Marie-Aude Hémar**
Director
Business address: 55, chemin des Engranauds, 13660 Orgon
Immod is a *société anonyme par actions simplifiée* (French simplified joint stock company). As of the Registration Document Date, 100% of its capital was held by Mr. Eric Hémar via Comète, in which he holds a 96.61% stake, the remainder being held by his family. 29.61% of the Company's capital stock and 37.64% of the exercisable voting rights are held by Immod.

List of functions and offices exercised as of the Registration Document Date
Principal function
- None

Other offices within the Group
- None

Other offices outside the Group
- Chairman: Financière ID SAS, SAS Logistics II, SAS Logistics VI, SAS Logistics V

List of functions and offices having expired during the last five years
- None

• **Marie-Aude Hémar, Immod representative**
Business address: 55, chemin des Engranauds, 13660 Orgon
Having graduated from IDRAC Paris, from 1986 to 2011 Marie-Aude Hémar held various positions at Caisse d'Epargne IDF, including business client manager, business branch manager and inspector with the Controlling Department. Ms. Marie-Aude Hémar, Immod's permanent representative, is the wife of Mr. Eric Hémar.

List of functions and offices exercised as of the Registration Document Date
Principal function
- None

Other offices within the Group
- None

Other offices outside the Group
- Joint manager: Comète

List of functions and offices having expired during the last five years
- None

• **Christophe Satin**
Director, Deputy CEO
Business address: 55, chemin des Engranauds, 13660 Orgon
Christophe Satin graduated from ISG and began his career at Arthur Andersen. He went on to work for various industrial companies before joining Geodis as overseas financial manager for Geodis Logistics. In 2001, he co-founded ID Logistics, where he was appointed Chief Financial Officer and later Deputy CEO.

List of functions and offices exercised as of the Registration Document Date
Principal function
- Deputy CEO of ID Logistics Group SA, the ID Logistics group holding company

Other offices within the Group
- Chairman: Coop Interflèche, Compagnie Financière de logistique (CFL), Compagnie Européenne de Prestations logistiques (CEPL), ID Logistics A
- General Manager: CEPL Germersheim, ID Logistics Weilbach, ID Logistics GmbH
- Director: ID logistics China Holding Hong-Kong, ID Logistics Taiwan, ID Logistics Nanjing, ID Logistics Business Consulting, ID Logistics Polska, ID Logistics Belgium, IDL Fresh South Africa, IDL Supply Chain South Africa
- Member of the Supervisory Board and Chairman: Dislogic
- Chief Executive Officer: CEPL Barcelona, CEPL Iberia, CEPL La Roca, Logiters Logistica, Groupe Logistics IDL Espana, Prestalid

Other offices outside the Group
- General Manager: Libertad

List of functions and offices having expired during the last five years
- Chairman: La Flèche, ID Logistics Champagne, CEPL Holding Compagnie
- Director: ID Assets

• **Michel Clair**
Independent director and Chairman of the Audit Committee
Business address: SIPAC, 2 place de la Porte Maillot, 75017 Paris
A former student of ENA, Michel Clair was auditor, then senior advisor for the *Cour des Comptes* (1975-91) before taking up various positions within government agencies and several ministries. This included chief of staff for the Ministry of Trade, Crafts and Services from 1986 to 1988. In 1991, he joined Compagnie Bancaire, for which he was Corporate Secretary and member of the Management Board. Following the Paribas - Compagnie Bancaire merger, he became a member of the Executive Committee of Paribas, in charge of real estate and shared services. In 1996 he joined the Klépierre group as member of the Board of Directors

and was appointed Chairman the following year. From 1998 to 2012, he was chairman of the Klépierre Management Board followed by the Supervisory Board. He currently chairs France Habitation. He is Vice President of the Paris Ile-de-France Chamber of Commerce and Industry (CCI) in charge of conventions and exhibitions business.

List of functions and offices exercised as of the Registration Document Date

Principal function

- Chairman of Société Immobilière du Palais des Congrès (SIPAC)
- Chairman of Propexpo
- Chairman of France Habitation

Other offices within the Group

- None

Other offices outside the Group

- Chairman: Promosalons, France Habitation*, ARRCO, SAS RHVS*
- Deputy Chairman: KLESIA Retraites AGIRC, Arpavie
- Director: Pax Progrès Pallas SA*, Domaxis SA*, SICI*, HSR*, KLESIA Prévoyance

** Action Logement Group*

List of functions and offices having expired during the last five years

- Chairman of Comexposium

• **Michèle Cyna**

Independent director and member of the Audit Committee

Business address: BURGEAP, 143 avenue de Verdun, 92130 Issy les Moulineaux

As CEO of BURGEAP Group, which has 400 employees in France, Michèle Cyna also sits on the Executive Committee of Ginger, an engineering group with 1700 employees and revenues of €170 million. BURGEAP is one of its subsidiaries. Having graduated from *Ecole Polytechnique*, *Ecole Nationale des Ponts et Chaussées* and *MIT*, Michele Cyna began her career in the *Ponts et Chaussées* (bridges and roads) institute. As such she has worked in managerial positions for the Seine-et-Marne departmental urban transport research center and the Marne la Vallee EPA urban development institute. In 1992, she became transportation engineer at the World Bank in Washington. She returned to France two years later to take charge of on-the-job training for the *Ecole Nationale des Ponts et Chaussées*, where she worked for five years. In 1999, she was appointed head of Eurovia's techniques and promotion department, and 8 years later became Veolia Transdev's international affairs director. In 2013, she joined BURGEAP engineering firm as chairman and CEO. Following the acquisition of BURGEAP by Ginger Group, she remained CEO. Having chaired *Sciences ParisTech au Féminin* and sat on the board of the *Grandes Ecoles au Féminin* (GEF), from 2013 to 2016 Michèle Cyna was Chairwoman of *Ponts Alliance*, an association for former students of the *Ecole Nationale des Ponts et Chaussées*. She also chairs the Geothermal Commission of the French renewable energy body *Syndicat des Energies Renouvelables* (SER) and is a member of the Board of Directors of Syntec-Ingénierie, the industry's trade union, and of the Board of Directors of FAFIEC, the industry's joint commission for collective training (OPCA). Michèle Cyna is an Officer of the French Order of Merit and Knight of the French Legion of Honor.

List of functions and offices exercised as of the Registration Document Date

Principal function

- CEO of Ginger Group

Other offices within the Group

- None

Other offices outside the Group

- Director of the Ecole Nationale des Ponts et Chaussées

List of functions and offices having expired during the last five years

- None

• **Muriel Mayette-Holtz**

Independent director

Business address: 7 place du général Leclerc, 92420 Vaucresson

Ms. Muriel Mayette-Holtz: Actress and stage director Muriel Mayette-Holtz was Managing Director of the *Comédie-Française* from 2006 to 2014. Having studied under Michel Bouquet, Claude Régy and Bernard Dort, she was visiting professor at the *Conservatoire National Supérieur d'Art Dramatique* (CNSAD) between 2000 and 2006. Muriel Mayette-Holtz joined the *Comédie-Française* in 1985 after training with CNSAD and was named 477th member in 1988. She has played numerous parts under directors including Antoine Vitez, Jacques Lassalle, Matthias Langhoff, Alain Françon, Catherine Hiegel, Claude Stratz, Otomar Krejca and Bob Wilson. She was the director of the French Academy in Rome at the Villa Medici from 2015 to 2018, the first woman to manage the institute. She has also directed around forty theatrical productions. She is currently an honorary member of the *Comédie-Française* and is an Officer of the French Order of Arts and Letters, Knight of the Order of Merit and Knight of the Legion of Honor, a member of the Académie des Beaux-Arts and is the director of the Dufraine foundation in Chars.

List of functions and offices exercised as of the Registration Document Date

Principal function

Honorary member of the Comédie-Française Other offices within the Group

- None

Other offices outside the Group

- None

List of functions and offices having expired during the last five years
- Director of the Académie de France in Rome – Villa Médicis
- Managing Director of the *Comédie-Française*
- Member of the Radio France governing board

• Jesus Hernandez
Director
Business address: ID Do Brasil Logistica Ltda, Edificion Icon Alphaville, Alameda Mamoré, 503, Alphaville Industrial, Barueri SP, CEP 06454-040
Mr. Jesus Hernandez: Having graduated from the University of Madrid, Jesus Hernandez developed international management skills during a broad career in logistics. He started work with C&A, where he remained for 19 years. His positions during this time included Coordination Logistics Director in Düsseldorf, Germany. He then joined logistics operator Tibbett & Britten as Chief Operating Officer Spain and, just a year later, was appointed Chief Executive for Spain, Portugal and Morocco, a position he continued after the takeover of the company by Exel Logistics. In March 2006, Jesus Hernandez joined ID Logistics as General Manager Spain. In March 2015, he was appointed General Manager Brazil.

List of functions and offices exercised as of the Registration Document Date
Principal function
- ID Logistics Brazil General Manager

Other offices within the Group
- None

Other offices outside the Group
- None

List of functions and offices having expired during the last five years
- ID Logistics Spain General Manager

d) Director shareholdings - Securities giving access to the capital granted to the directors

As of December 31, 2018, members of the Board of Directors held the following direct and indirect equity investments and securities giving access to the Company's capital stock:

Directors	Shares and voting rights		
	Quantity	% equity	% actual voting rights
Eric Hémar	1,296,460	22.98%	29.25%
Immod[1], represented by Marie-Aude Hémar	1,670,870	29.61%	37.64%
Christophe Satin	78,919	1.40%	1.78%
Jesus Hernandez	20,000	0.35%	0.45%
Michel Clair[2]	6,700	0.12%	0.07%
Michèle Cyna	-	-	-
Muriel Mayette-Holtz	-	-	-

[1] As of December 31, 2018, 100% of IMMOD's capital stock was indirectly held by Mr. Eric Hémar via Comète.
[2] Investment held directly and indirectly via Clair Grenelle SAS

Other than the direct holding stated above, at the Registration Document Date Immod held 155,520 equity warrants, the principal terms and conditions of which are detailed in section 3.1.1 paragraph f) "Potential capital". Each warrant carries the right to subscribe for two shares, entailing as of the Registration Document Date a 5.51% maximum potential equity dilution of post-dilution capital.

Christophe Satin also controls Libertad, a company which, as of December 31, 2018, held 206,301 Company shares representing 3.66% of the capital stock and 2.33% of the exercisable voting rights.

e) Information on the independent advisor

• Jacques Veyrat
Advisor
Business address: Impala SAS, 4 rue Euler, 75008 Paris
Having graduated from Ecole Polytechnique in 1983 and from the Collège des ingénieurs in 1989, and the Corps des Ponts et Chaussées (class of 1988), Jacques Veyrat began his career with the French government treasury, where he took on a role as rapporteur to the French Interministerial Committee on Industrial Restructuring (CIRI) from 1989 to 1991 before becoming deputy corporate secretary for Club de Paris from 1991 to 1993. He then became technical advisor to the French Ministry of Public Works, Transport, Tourism and the Sea (1993-1995). In 1995, he joined the Louis Dreyfus group as CEO of Louis Dreyfus Armateurs (1995-1998), before being appointed Chairman and CEO of Louis Dreyfus Communications, which became Neuf Cegetel (1998-

2008) and Chairman and CEO of the Louis Dreyfus group (2008-2011). Jacques Veyrat has been Chairman of Impala SAS since 2011 and Chairman of the Fnac-Darty Board of Directors since July 2017.

List of functions and offices exercised as of the Registration Document Date
Principal function
- Chairman: Impala SAS
Other offices within the Group
- None
Other offices outside the Group
- Chairman of the Board of Directors: Fnac Darty
- Director: HSBC France, Nexity
- Independent advisor: Sucres et Denrée, Louis Dreyfus Armateurs

List of functions and offices having expired during the last five years
- Director: Direct Energie, Imerys, ID Logistics Group
- Member of the Supervisory Board: Eurazeo
- Independent advisor: Direct Energie

f) Conditions for preparing the Board's work

In order to give sufficient time to Board members to properly prepare for meetings, the Chairman endeavors to send them all information and documentation required in advance. Accordingly, the draft annual financial statements were sent to the directors three days before the designated Board meeting to approve the financial statements.
Each time a Board member has submitted a request, the Chairman has sent him or her the requested information and documentation, as far as possible.

g) Board meetings

The Board met four times in 2018. Meeting notices were sent out at least two days in advance. The average attendance rate in 2017 was 97%. Meetings are held at Group premises or by conference call.
The statutory auditors were invited to the Board of Directors meetings called to approve the annual and half-year financial statements and management forecasts, which they attended.

h) Board of Directors Rules of Procedure

The Board has introduced Rules of Procedure, which principally cover the following points:
- The Board's members, role and procedures.
- Duties of the directors (fiduciary duty, non-compete obligations, confidentiality, diligence, prevention of insider trading etc.)
- Audit Committee

The Board of Directors Rules of Procedure can be viewed on the Company website in the corporate governance section under "Shareholders".

i) Conflicts of interest among Board members

Article 4, "Directors' duties", of the Board of Directors Rules of Procedure stipulates that, in a situation that gives rise to or could give rise to a conflict between corporate interests and the direct or indirect private interests of a director or the interests of shareholders or a group of shareholders that he/she represents, the director in question must:
- inform the Board of the situation as soon as he/she is aware of it, and
- decide on any consequences affecting his/her position as a director.

Depending on the individual circumstances, the director must:
- either abstain from voting on the relevant matter,
- or not attend the Board meetings during the period in which he or she is involved in a conflict of interest,
- or resign as a director.

Non-disclosure shall be construed as an acknowledgment that no conflict of interest exists.

j) Tasks of the Board of Directors

The Board of Directors sets the direction of the Company's business and ensures the implementation thereof. Subject to the powers expressly reserved to shareholders in general meeting and subject to the corporate purpose, it addresses any matters pertaining to the proper running of the Company and, by its voting, settles matters concerning the Company.

k) Subjects discussed during Board meetings and performance review

During the year ended December 31, 2018, the Company Board of Directors met four times:

Date	% Directors in attendance	Subjects

1/17/2018	100%	Update on the Logiters integration 2018 challenges and business plan
3/27/2018	88%	Approval of 2017 financial statements Review of management forecasts Determination of directors' remuneration Board assessment and operation Review of any conflicts of interest Review of Middlenext Code points requiring special attention Preparation of the general meeting
5/23/2018	100%	Reappointments Implementation of the share buyback program Performance share plan Transfer of head office
8/29/2017	100%	Approval of H1 2018 financial statements Review of management forecasts

In addition to technical issues on the agenda, Board meetings are always an opportunity to review the Company's business, its development and changes in its market environment.

l) Assessment of the Board's work

In March 2018 the Board conducted a formal assessment of its own work and that of the Audit Committee.

This self-assessment covered matters including gender balance on the Board and the balance of relations between the Chairman and Chief Executive Officer and the Board, both of which were deemed satisfactory.

The Board's membership and operation were found to be satisfactory, while the Board confirmed the need to refresh members' awareness of Board regulations.

m) Organization and operation of the special committee

Following the admission of the Company's shares for trading on the Euronext regulated market in Paris, and as decided by the Board of Directors on September 14, 2011, an Audit Committee was introduced.

- Audit Committee members

The Audit Committee has two members, by preference both independent directors, appointed by the Board of Directors: Michel Clair, Committee Chairman, and Michèle Cyna.

All Audit Committee members have financial expertise (see "Director information" above).

- Objectives

The Audit Committee's objective is to issue opinions or recommendations to the Board of Directors with regard to the accounts, internal and external audit and the Group's financial policies, while ensuring that information provided to shareholders and the market is reliable and clear. To fulfill its mission, the Audit Committee:
- reviews accounting principles and methods adopted in the preparation of the individual and consolidated financial statements that are submitted to the Board of Directors, ensuring they are appropriate, consistently applied and that any proposed changes are properly justified;
- reviews draft annual and half-year individual and consolidated financial statements prepared by senior management before presentation to the Board of Directors;
- reviews draft annual and half-year management reports from the Board of Directors, and all other reports, opinions, statements and other documents containing accounting or financial information, the publication of which is compulsory under current regulations, before their publication, as well as all accounts prepared for purposes of specific material transactions such as capital contributions, mergers, market transactions and payment of interim dividends etc.;
- reviews the company consolidation scope and, if applicable, the reasons for excluding certain companies, changes in consolidation scope and the impact thereof;
- reviews material off-balance sheet risks and commitments;
- verifies that in-house data collection and checking procedures ensure that the data is accurate, quickly reported and appropriate;
- annually reviews with internal audit managers and the statutory auditors their audit plans, the conclusions of their audits, their recommendations and the follow-up action taken;
- interviews internal audit managers and controllers from the finance department and issues an opinion on the department's organization;

- conducts the procedure for selecting the statutory auditors prior to their appointment or reappointment and oversees compliance with rules, principles and recommendations ensuring their independence;
- issues a recommendation regarding statutory auditor appointments or reappointments to be proposed to the general meeting;
- issues an opinion on the fees requested by the statutory auditors for the performance of their statutory audit of the financial statements and for any other engagements;
- approves the provision of services by the statutory auditors other than the certification of the financial statements;
- monitors the statutory auditors' performance of their assignment and, where relevant, notes any observations and findings of the French High Council of Statutory Auditors following audits conducted;
- reviews regulated agreements requiring the prior approval of the Board of Directors;
- monitors the efficacy of the risk management system;
- reviews any financial or accounting matters submitted to it by the Board of Directors or its Chairman and expresses, in particular, an opinion on any planned issue of new shares, securities or debt; and
- regularly reports to the Board of Directors on the findings of the financial statement certification assignment, the manner in which the assignment contributed to the integrity of the financial reporting and the role it played in this process. It must also promptly inform the Board of any difficulty encountered.

• Operations

The Audit Committee meets according to a timetable established by the committee Chairman, which must give the committee time to review at least the annual and half-year consolidated financial statements, the Group budget and the internal and external audit plan.

The Audit Committee may interview any member of the Company's Board of Directors and arrange for the performance of any internal or external audit on any subject that, in its opinion, falls within its remit. The Audit Committee Chairman informs the Board of Directors thereof in advance. In particular, the Audit Committee is entitled to interview persons involved in preparing or auditing the financial statements, including the Chief Financial Officer and the main managers within the finance department. The Audit Committee's interview of the statutory auditors may but need not be attended by any representative of the Company.

The Audit Committee Chairman reports to the Board of Directors on the committee's work. If, during the course of its work, the Audit Committee detects a material risk that it considers is not being managed properly, the Chairman notifies the Chairman of the Board of Directors thereof without delay.

The Audit Committee met twice in 2018, on the following dates:
- March 27, 2018 to review the 2017 financial statements;
- August 29, 2018 to review the 2018 half-year financial statements.

All committee members attended these meetings and were given adequate time to review the financial and accounting documents. They had the opportunity to interview the statutory auditors and the Chief Financial Officer.

The Committee reported on its work to the Board, which has taken note and has followed all of its recommendations.

3.1.4 General management and Board Chairman

a) Detailed arrangements for the exercise of general management

Either the Chairman of the Board of Directors, or another individual appointed by the Board of Directors as Chief Executive Officer, shall carry out and be responsible for the general management of the Company.

The Board of Directors shall choose between the two methods of general management. The decision as to the choice of the general management method shall be taken by a simple majority vote of the directors in attendance or represented. The option selected must be implemented for a term of no less than one year.

By decision dated June 21, 2010, the Board of Directors appointed Mr. Eric Hémar, whose business address is that of the Company's head office, as Chairman and Chief Executive Officer of the Company.

b) Limitation of the powers of the CEO and Deputy CEO

The Chief Executive Officer is vested with the broadest powers to act under any circumstances in the name of the Company. He exercises these powers subject to the corporate purpose and subject to powers expressly reserved by law to the shareholders' meeting or Board of Directors. He represents the Company in its dealings with third parties.

Where the general management of the Company is performed by the Chairman of the Board of Directors, the following provisions relating to the CEO apply to him.

The CEO is subject to the provisions governing the simultaneous holding of appointments as Chief Executive Officer, member of the management committee, sole managing director, director or member of the supervisory board of corporations (*sociétés anonymes*) whose head office is located in France.

On a motion by the CEO, the Board of Directors may appoint one or more individuals to assist the CEO; such person(s) shall hold the office of Deputy Chief Executive Officer. There may not be more than five Deputy CEOs.

Where the CEO ceases or is unable to perform his duties, the Deputy CEOs shall, unless otherwise resolved by the Board, remain in office and continue to hold their powers until a new CEO is appointed.

The Board of Directors shall determine the remuneration of the Deputy CEOs. The Board of Directors shall, jointly with the CEO, determine the scope and term of the powers conferred on Deputy CEOs. Vis-à-vis third parties, Deputy CEOs shall hold the same powers as the CEO.

Apart from statutory or regulatory restrictions, no other specific limitation has been set by the Board of Directors on the powers of the CEO or Deputy CEOs.

3.1.5 Remuneration for executive corporate officers of the Company

Pursuant to Article L. 225-37-2 of the French Commercial Code, below we have provided an overview of the principles and criteria for calculating, distributing and allocating the fixed, variable and exceptional items comprising the total remuneration and benefits in kind attributable to the Chairman and Chief Executive Officer and to the Deputy CEO in respect of their terms of office in 2019, as set by the Board of Directors at its meeting held on March 13, 2019 and, subject to approval by the Shareholders' General Meeting to be held on May 23, 2019 (see Section 6 hereof).

3.1.5.1 General principles for deterlining executive corporate officers' remuneration policy

a) <u>General information</u>

The Board of Directors alone is authorized to determine the remuneration and benefits in kind granted to corporate officers. Remuneration and benefits in kind granted to the executive corporate officers are determined based on the following principles:

- competitiveness and loyalty;
- internal equity and performance;
- comprehensiveness and overall assessment;
- balance between the various items comprising remuneration;
- use of comparative data based on both market standards and practices employed at comparable companies;
- consistency, transparency, stability and intelligibility of the rules applied;
- adaptation to the strategy and business context, compliance with the corporate interest;
- consideration of the importance of the responsibilities taken on.

b) <u>Annual fixed and variable remuneration</u>

Executive corporate officers' annual remuneration includes a fixed portion, with, for executive directors only, a variable portion relating to the achievement of stringent financial and non-financial quantitative and qualitative targets, predetermined at the beginning of the year in line with the strategy approved by the Board of Directors. All forms of variable remuneration are ruled out for non-executive corporate officers.
The amount of the fixed portion of the remuneration of executive corporate officers and the methods for calculating the variable portion of the remuneration of executive corporate officers (specifically the quantitative and qualitative financial and non-financial targets assigned to them) are determined by the Board of Directors, based on an analysis of the practices of a selection of comparable companies and executive performance.

c) <u>Exceptional remuneration</u>

The Company's remuneration policy does not provide for any exceptional remuneration attributable to executive corporate officers in the normal course of business.
In the event of an exceptional event or operation (including but not limited to: organic growth upwards of 10%, an external acquisition representing more than 20% of current revenues, the establishment of operations in a new country representing more than 10% of current revenues, etc.), exceptional remuneration may be paid, after approval by the shareholders' general meeting, which shall be approved by the Board of Directors by a reasoned decision.

d) <u>Deferred variable remuneration</u>

The Company's remuneration policy does not provide for any deferred variable remuneration attributable to the executive corporate officers during the normal course of business.
In the event of an exceptional event or operation (including but not limited to: organic growth upwards of 10%, an external acquisition representing more than 20% of current revenues, the establishment of operations in a new country representing more than 10% of current revenues, etc.), deferred variable remuneration may be paid, after approval by the shareholders' general meeting, which shall be approved by the Board of Directors.

e) <u>Granting of performance shares or share subscription or purchase options</u>

The Company's remuneration policy excludes any long-term incentive plan, in any form whatsoever, for non-executive corporate officers.

Executives' long-term incentive plans may take the form of bonus performance share plans, or the granting of share subscription or purchase options, depending on the tax and social security framework applicable at the time of allocation. Long-term incentive plans are designed to ensure that the interests of executive corporate officers and shareholders are aligned. The vesting of performance shares granted or, where applicable, the exercise of share subscription or purchase options, would be subject to stringent performance conditions, combining internal corporate criteria and external criteria which, to the extent possible, would be measured taking into account the Company and the Group's performance compared to the rest of its market into account.
The Board of Directors approves the allocation of bonus performance shares, or share purchase or subscription options to executive directors, by ensuring that such allocations, valued in accordance with IFRS 2, do not represent a disproportionate portion of the executive corporate officers' total remuneration, and that the portion of allocations reserved for executive directors under a plan is in accordance with market practices.
The termination of an executive corporate officer's term of office before the end of the vesting period for performance shares or options granted results in their being deemed invalid, except in the event of the application of provisions provided for in the event of death or disability.

f) Remuneration related to taking office

The Company's remuneration policy does not provide for any remuneration upon executive corporate officers taking office.

g) Remuneration and commitments upon termination of duties

Executive corporate officers may benefit from commitments in respect of the termination of their duties, in the form of severance pay and/or non-compete compensation, the terms and conditions and amounts of which would fall within the limits provided for by applicable regulations and the recommendations of the MiddleNext corporate governance code.

h) Attendance fees

The Company's remuneration policy does not provide for the allocation of attendance fees to Board member executive corporate officers.

i) Compensation package and benefits in kind owed or likely to be owed to an executive corporate officer under agreements entered into, directly or through an intermediary, in respect of his or her term of office, with the company in which the office is held, any company controlled by it, within the meaning of Article L. 233-16 of the French Commercial Code, any company that it controls, within the meaning of the same article, or any company under the same controlling entity, within the meaning of this article.

Service agreements between Comète, in which Mr. Eric Hémar holds a 96.61% equity stake, and the Group's various subsidiaries (including the Company in particular) have been entered into, it being specified that Mr. Eric Hémar is paid by Comète (see Section 3.1.6 of this Registration Document).

j) Benefits in kinds, insurance and pension

The benefits in kind attributable to executive corporate officers are limited to the provision of company vehicles and the Company's payment of a senior executive "loss of employment" insurance policy. They also include the impacts of reinstatements of social security contributions in connection with the extension of personal protection insurance to them (healthcare costs, disability, invalidity and death) applicable at the Group.
If permitted by their personal circumstances, the executive corporate officers are covered by the personal protection insurance scheme (healthcare costs, disability, invalidity and death) and by the mandatory, defined-contribution group complementary pension scheme granted to all Company employees.

k) Any other item of compensation that may be attributed by virtue of the corporate office

The entire executive corporate officer remuneration policy has been set out above. They are not entitled to receive any additional remuneration in respect of their terms of office.

3.1.5.2 Remuneration paid to executive corporate officers in respect of 2018

a) Compensation package and benefits paid or owing to executive corporate officers in respect of 2018

This section sets out, pursuant to the remuneration policy approved by the Board of Directors meeting of May 23, 2018 (sixth ordinary resolution), the remuneration and benefits paid (or owed) in respect of 2018 to the Company's executive corporate officers, namely Mr. Eric Hémar, Chairman and Chief Executive Officer and Mr. Christophe Satin, Deputy Chief Executive Officer, it being specified that the variable remuneration package can only be paid after its approval by the General Meeting of May 23, 2019 in accordance with Article L. 225-100 of the French Commercial Code (see Section 6 of this Registration Document).

- **Remuneration package and benefits paid or owing to Mr. Eric Hémar, Chairman and Chief Executive Officer in respect of 2018**

It is hereby specified that Mr. Eric Hémar receives no remuneration from the Group other than that paid by Comète, as described below.

The table below presents the items of remuneration or benefits paid or owed in respect of 2018 to Comète, in which Mr. Eric Hémar, Chairman and Chief Executive Officer of the company, and his family hold 100% of the capital.

Items of remuneration paid or owing to Comète in respect of the fiscal year ending December 31, 2018	Amount or accounting valuation	Presentation
Fixed remuneration (paid)	€550,000	Fixed remuneration is identical to that paid in respect of 2017.
Annual variable remuneration (to be paid subject to the approval of the 2019 Shareholders' General Meeting)	€230,000	At its meeting held on March 13, 2019, the Board of Directors noted that all of the conditions for the payment of annual variable remuneration had been fulfilled*.
Deferred variable cash remuneration	N/A	
Exceptional remuneration	N/A	
Stock options, performance shares or any other long-term item of remuneration	N/A	
Attendance fees	N/A	
Valuation of benefits in kinds	N/A	
Remuneration, compensation or benefits relating to taking office	N/A	
Contractual remuneration		See fixed and variable remuneration above
Other items of remuneration relating to the term of office	N/A	

**see paragraph b) below on the breakdown of variable remuneration*

Items of remuneration paid or owing in respect of the fiscal year ending December 31, 2018 subject to the approval of the Shareholders' General Meeting under the procedure for regulated agreements and commitments.	Amount	Presentation
Severance pay	N/A	
Non-compete compensation	N/A	
Supplementary pension scheme	N/A	

The table below presents the remuneration package or benefits paid or owing in respect of fiscal year 2018 by Comète to Mr. Eric Hémar, Chairman and Chief Executive Officer of the Company.

Items of remuneration paid or owing to Comète in respect of the fiscal year ending December 31, 2018	Amount or accounting valuation	Presentation
Fixed remuneration (paid)	€180,000	Fixed remuneration has increased by 20% compared to 2017.
Annual variable remuneration (to be paid subject to the approval of the 2019 Shareholders' General Meeting)	N/A	
Deferred variable cash remuneration	N/A	
Exceptional remuneration	N/A	
Stock options, performance shares or any other long-term item of remuneration	N/A	
Attendance fees	N/A	
Valuation of benefits in kinds	N/A	
Remuneration, compensation or benefits relating to taking office	N/A	
Contractual remuneration		See fixed remuneration above
Other items of remuneration relating to the term of office	N/A	

Items of remuneration paid or owing in respect of the fiscal year ending December 31, 2018 subject to the approval of the Shareholders' General Meeting under the procedure for regulated agreements and commitments.	Amount	Presentation
Severance pay	N/A	
Non-compete compensation	N/A	
Supplementary pension scheme	N/A	

- **Remuneration package and benefits paid or owing to Mr. Christophe Satin, Deputy CEO, in respect of 2018**

The table below presents the items of remuneration or benefits paid or owing to Mr Christophe Satin, Deputy Chief Executive Officer, in respect of fiscal year 2018

Items of remuneration paid or owing in respect of fiscal year ending December 31, 2018	Amount or accounting valuation	Presentation

Fixed remuneration (paid)	€348,099	Fixed remuneration increased 3.5% from 2017. This increase is justified by the increase in the number of Group companies to oversee.
Annual variable remuneration (to be paid subject to the approval of the 2019 Shareholders' General Meeting)	€200,000	At its meeting held on March 13, 2019, the Board of Directors noted that all of the conditions for the payment of annual variable remuneration had been fulfilled*.
Deferred variable cash remuneration	N/A	
Exceptional remuneration	N/A	
Stock options, performance shares or any other long-term item of remuneration	N/A	
Attendance fees	N/A	
Valuation of benefits in kinds	5,214	Company vehicle
Remuneration, compensation or benefits relating to taking office	N/A	
Contractual remuneration	N/A	
Other items of remuneration relating to the term of office	N/A	

* see paragraph b) below on the breakdown of variable remuneration

Items of remuneration paid or owing in respect of the fiscal year ending December 31, 2018 subject to the approval of the Shareholders' General Meeting under the procedure for regulated agreements and commitments.	Amount	Presentation
Severance pay	N/A	
Non-compete compensation	N/A	
Supplementary pension scheme	N/A	

b) <u>Total remuneration paid to executive corporate officers</u>

The summary tables presented below were prepared in accordance with the provisions of the AMF Position-Recommendation no. 2014-14. Tables 4, 5, 6, 7 and 9 do not apply to the Company.

- **Remuneration of Mr. Eric Hémar, Chairman and Chief Executive Officer**

Mr. Eric Hémar does not receive any remuneration from the Group. He receives remuneration from Comète, a company in which he holds a 96.61% equity stake (the remainder being held by his wife and children), and which has signed services agreements with various Group subsidiaries, as set out in section 3.1.6.

Summary of remuneration, options and shares **allocated to Comète**, a company controlled by Eric Hémar, Chairman and Chief Executive Officer of ID Logistics Group and general manager of Comète		
	2018	2017
Remuneration due in respect of the year	780,000	680,000
Valuation of deferred variable remuneration allocated during the year	n/a	n/a
Valuation of stock options granted during the year	n/a	n/a
Valuation of bonus shares	n/a	n/a
TOTAL	780,000	680,000

Summary of remuneration paid to **Comète**, company controlled by Eric Hémar, Chairman and Chief Executive Officer of ID Logistics Group and general manager of Comète				
	2018		2017	
	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	550,000	550,000	450,000	450,000
Annual variable remuneration	230,000 *(1)*	230,000 *(1)*	230,000	230,000
Deferred variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a			
Attendance fees	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a	n/a
TOTAL	780,000	780,000	680,000	680,000

(1) This variable remuneration shall only be paid once approved by the general meeting of May 23, 2019

In particular, the annual variable portion of Comète's remuneration in respect of 2018 was determined based on the achievement of the following objectives:

Objective *(1)*	% variable remuneration	Rate of achievement
Attainment of financial targets	60%	100%
Sales growth	20%	100%
Strategic coordination of the Group	20%	100%

	100%	100%
Annual variable remuneration approved by the Shareholders' General Meeting of May 23, 2018		€230,000
Annual variable remuneration due in respect of 2018 (which will be subject to the approval of the 2019 General Meeting)		€230,000

(1) The target achievement for quantified criteria is not published for reasons of confidentiality.

For information purposes, the tables below specify remuneration paid by Comète to Eric Hémar in respect of his position as general manager of Comète. Over the reporting period, Comète did not pay out any dividend.

Summary of remuneration, options and shares allocated to Eric Hémar, Chairman and Chief Executive Officer of ID Logistics Group and general manager of Comète		
	2018	2017
Remuneration due in respect of the year	180,000	150,000
Valuation of deferred variable remuneration allocated during the year	n/a	n/a
Valuation of stock options granted during the year	n/a	n/a
Valuation of bonus shares	n/a	n/a
TOTAL	180,000	150,000

Summary of remuneration paid to Comète, controlled by Eric Hémar, Chairman and Chief Executive Officer of ID Logistics Group and general manager of Comète				
	2018		2017	
	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	180,000	180,000	150,000	150,000
Annual variable remuneration	0	0	0	0
Deferred variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a			
Attendance fees	n/a	n/a	n/a	n/a
Benefits in kind	n/a	n/a	n/a	n/a
TOTAL	180,000	180,000	150,000	150,000

It is also specified that the departure of Mr. Hémar would not per se entail the automatic and immediate termination of the services agreements concluded with Comète. Nevertheless, all of these agreements could be terminated by the respective Group companies, subject to a three-month notice period.
Finally, Mr. Hémar is a director of Coface, listed on Euronext Paris, which paid him attendance fees of €43,000 in 2017 in respect of 2016.

- **Remuneration of Mr. Christophe Satin, Deputy CEO**

Summary of remuneration, options and shares allocated to Christophe Satin, Deputy Chief Executive Officer of ID Logistics Group (in euros)		
	2018	2017
Remuneration due in respect of the year	553,313	477,000
Valuation of deferred variable remuneration allocated during the year	n/a	n/a
Valuation of stock options granted during the year	n/a	n/a
Valuation of bonus shares	n/a	n/a
TOTAL	553,313	477,000

Summary table of remuneration paid to Christophe Satin, Deputy CEO of ID Logistics Group (€)				
	2018		2017	
	Amount due	Amount paid	Amount due	Amount paid
Fixed remuneration	348,099	348,099	336,308	336,308
Annual variable remuneration	200,000 *(1)*	200,000 *(1)*	140,692	140,692
Deferred variable remuneration	n/a	n/a	n/a	n/a
Exceptional remuneration	n/a			
Attendance fees	n/a	n/a	n/a	n/a
Benefits in kind *(2)*	5,214	5,214	n/a	n/a
TOTAL	553,313	553,313	477,000	477,000

(1) This variable remuneration shall only be paid once approved by the general meeting of May 23, 2019
(2) Corresponds to a company vehicle

In particular, the annual variable portion of Christophe Satin's remuneration in respect of 2018 was determined based on the achievement of the following targets:

Objective *(1)*	% variable remuneration	Rate of achievement
Attainment of financial targets	60%	100%
Leading ID Logistics teams	20%	100%
Coordination of customer projects	10%	100%
Establishing operations in new countries	10%	100%

	100%	100%
Annual variable remuneration approved by the Shareholders' General Meeting of May 23, 2018		€200,000
Annual variable remuneration due in respect of 2018 (which will be subject to the approval of the 20 General Meeting)		€200,000

(1) The target achievement for quantified criteria is not published for reasons of confidentiality.

3.1.5.3 Remuneration paid to executive corporate officers in respect of 2019

In accordance with the remuneration policy set out above, presented below are the principles and criteria for calculating, distributing and allocating the fixed, variable and exceptional items comprising the remuneration and benefits in kind attributable to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer in respect of their mandate for the 2019 fiscal year, which will be submitted to the Shareholders' General Meeting to be held on May 23, 2019 for its approval (see Section 6 of this Registration Document).

We hereby inform you that the payment of items of variable and exceptional remuneration presented in the report and to be paid to the persons concerned will be subject to the approval of the general meeting called in 2020 to approve the 2019 financial statements.

- **Remuneration paid to the Chairman and Chief Executive Officer**

As stated above, Eric Hémar does not receive any remuneration from the Group. He receives remuneration from Comète, which has signed service agreements with various Group subsidiaries, as set out in Section 3.1.6. Under these agreements and in respect of 2019, the Board of Directors proposes the following items of annual fixed and variable remuneration:

Fixed remuneration	€550,000
Maximum annual variable remuneration	€280,000

The annual variable portion of Mr. Eric Hémar's remuneration in respect of 2019 will be determined based on the achievement of the following targets:

Objective (1)	% variable remuneration
Financial targets	60%
Strategic management	20%
External acquisition	10%
Sales growth	10%
	100%

(1) The target achievement for quantified criteria is not published for reasons of confidentiality.

Furthermore, please note the following items concerning Mr. Eric Hémar:

Employment contract	No
Supplementary pension scheme	No
Indemnities or benefits that may be due upon change or expiry of office	No
Indemnities relating to non-compete clause	No

In circumstances where applicable and as indicated above at 3.1.5.1 c), d) and e), Eric Hémar may receive an exceptional remuneration and/or a deferred variable remuneration and/or be granted stock options and/or bonus shares.

- **Remuneration paid to the Deputy CEO**

The remuneration of Mr. Christophe Satin, Group Deputy DEO and director of the Company includes a fixed and variable portion. In respect of 2019, the Board of Directors proposes the following items of annual fixed and variable remuneration:

Fixed remuneration	€400,000
Maximum annual variable remuneration	€200,000
Benefits in kind (1)	€6,000

(1) Corresponding to a company vehicle

The annual variable portion of Mr. Christophe Satin's remuneration in respect of 2019 will be determined based on the achievement of the following targets:

Objective (1)	% variable remuneration
Financial targets	60%
Coordination of subsidiaries	20%
Group human resources plan	10%
Customer performance support plan	10%
	100%

(1) The target achievement for quantified criteria is not published for reasons of confidentiality.

Please also note the following items concerning Mr. Christophe Satin:

Employment contract	Yes (1)
Supplementary pension scheme	No
Indemnities or benefits that may be due upon change or expiry of office	No
Indemnities relating to non-compete clause	No

(1) Christophe Satin co-founded ID Logistics in 2001. When he was first appointed in 2010 as Immod representative and director, he had already been an ID Logistics employee for nine years. His employment contract contains no special clause for severance pay in the event of dismissal. However, his employment contract does entitle him to a pension based on his length of service with the Group.

Effective May 1, 2015, the Company took out a senior executive loss of employment insurance policy for Christophe Satin, which guarantees him 80% of his contractual income for a period of 18 months.

In circumstances where applicable and as indicated above at 3.1.5.1 c), d) and e), Christophe Satin may receive an exceptional remuneration and/or a deferred variable remuneration and/or be granted stock options and/or bonus shares.

3.1.6 Remuneration paid to non-executive corporate officers of the Company

The May 23, 2018 general meeting of shareholders set the total amount of directors' fees to be paid to Board members at €90,000 per fiscal year with effect from fiscal 2017 (until decided otherwise). The Board of Directors pays each director a fixed portion of this amount (pro rata temporis depending on the start or end date of the term of office, as the case may be), and a variable portion in accordance with the attendance rate at Board meetings during the year.
In 2018, the Company paid total directors' fees for fiscal year 2017 amounting to €82,500 after Eric Hémar, Christophe Satin and Jesus Hernandez decided to waive their directors' fees.

Non-executive corporate officers	Amounts paid during fiscal 2018 in respect of fiscal 2017	Amounts paid during fiscal 2017 in respect of fiscal 2016
Michel Clair		
Attendance fees	€20,000	€20,000
Other remuneration	-	-
Michèle Cyna		
Attendance fees	€17,500	€17,500
Other remuneration	-	-
Marie-Aude Hémar (Immod representative)		
Attendance fees	€15,000	€15,000
Other remuneration	-	-
Jacques Veyrat (independent advisor)		
Attendance fees	€15,000	€13,750
Other remuneration	-	-
Murielle Mayette-Holtz		
Attendance fees	€15,000	€12,500
Other remuneration	-	-
Jesus Hernandez		
Attendance fees	-	-
Other remuneration (1)	€392,200	€312,000
Pascal Teranne (representing the employees)		
Attendance fees	-	-
Other remuneration *	*(2)*	*(2)*
Total	€474,700	€390,750

*(1) * Remuneration received pursuant to his employment contract*
(2) As an employee, Mr. Teranne perceives a remuneration which is not disclosed

With the exception of directors' fees described above, the Company does not owe and did not pay any fees to Immod for its duties as director in respect of 2017 and 2018, or to Ms. Marie-Aude Hémar, Immod's permanent representative on the Company's Board of Directors.

3.1.7 Contracts with corporate officers or a shareholder holding more than 10% of the voting rights in the Company

As of December 31, 2018, there were three indirect services agreements between Eric Hémar and the ID Logistics Group via the company Comète. These agreements have an unlimited term with a three-month notice period and are subject to the following financial terms and conditions for 2018:

Company	Purpose	Fixed portion (€)	Variable portion* (€)
ID Logistics Group SA	General management, team management and strategic oversight, notably abroad	171,000	80,000
ID Logistics France SAS	Business development, human resources management	331,000	150,000
La Flèche SAS	Corporate relations, professional organizations, business development	48,000	-
Total		550,000	230,000

(*) The variable portion, if applicable, will be paid in 2019.

There also exists a coordination agreement concluded between ID Logistics Group and Comète SARL. The purpose of this agreement for Comète is to coordinate the group and provide assistance to the subsidiaries and sub-subsidiaries in the performance of the coordination services. The agreement is not subject to any remuneration

See also the statutory auditors' special report in section 4.10.3 as well as Note 25 to the consolidated financial statements.

3.1.8 Shareholder participation in shareholders' general meetings

a) General rules (Article 20 of the bylaws)

Collective decisions of the shareholders are taken at shareholders' meetings, which may be ordinary, extraordinary or special depending on the nature of the decisions on which they are called to vote.
Ordinary shareholders' meetings are those which are called to take all decisions that do not amend the bylaws. Any direct or indirect amendment to the bylaws shall be decided by an extraordinary general meeting.
Special meetings are those held between holders of shares of a specified class to deliberate on any amendment of the rights attaching to such shares. These meetings shall be convened and shall pass resolutions under statutory and regulatory conditions.
Any shareholders' meeting that is validly constituted shall represent all of the shareholders collectively.
Votes of shareholders' meetings are binding on all shareholders, even if absent, dissenting or legally incapacitated.

- Ordinary general meeting

The ordinary general meeting is that which is called to take all decisions that do not amend the bylaws.
It is convened at least once a year, in accordance with applicable statutory and regulatory notice and time periods, to deliberate on the financial statements of the preceding fiscal year.
Its powers include the following:

- approving, amending or rejecting the financial statements submitted to it,
- ruling on the allocation and appropriation of profits in compliance with the provisions of the bylaws,
- granting or withholding release and discharge to directors for the performance of their management duties,
- appointing and removing directors,
- appointing the regular and alternate statutory auditor(s),
- approving or declining provisional appointments of directors made by the Board of Directors,
- setting the amount of directors' fees awarded to the Board of Directors,
- ruling on the statutory auditors' special reports on agreements requiring the prior authorization of the Board of Directors,
- authorizing issues of profit participation certificates.

- Extraordinary general meeting

Only the extraordinary general meeting is authorized to amend provisions of the bylaws. However, unless approved by the shareholders acting unanimously, it may not increase the shareholders' commitments, except in the case of transactions arising from an exchange of shares or reverse stock split that is validly resolved and implemented.

- Special meeting

Special meetings ratify decisions of the shareholders' meeting that amend the rights pertaining to a class of shares.
Where there are different classes of shares, the special meeting, deliberating in accordance with the quorum and majority requirements set out in the applicable governing provisions, exercises the powers conferred on it by law.

b) Notice and holding of shareholders' meetings (Article 21 of the bylaws)

Ordinary and extraordinary shareholders' meetings and, where applicable, special meetings, are called in accordance with the formal requirements and time limits laid down by law.
Shareholders' meetings take place at the head office or at any other venue indicated in the notice.
They may take place by video-conference or by telecommunication means allowing identification of the shareholders. In that case, shareholders attending the meeting by such means are deemed to be in attendance for the purposes of calculating quorum and majority.

c) Agenda (Article 22 of the bylaws)

The agenda for the meetings is set by the person having served the meeting notice.
One or more shareholders, representing at least that portion of capital stock required by law and acting in accordance with statutory conditions and within the statutory time limits, may, by registered letter with delivery receipt or by electronic telecommunication, request that items or draft resolutions be included in the meeting agenda.
The meeting cannot deliberate on an item that is not included in the agenda. The agenda may not be amended upon second notice. The meeting may, however, at all times, remove one or more directors and replace them.

d) Conditions of admission - Access to meetings - Representation (Article 23 of the bylaws)

Shareholders' meetings comprise all shareholders whose shares are fully paid up and have been recorded in the name of the shareholder by zero hour, Paris time, on the second business day preceding the shareholders' meeting, either in the registered share accounts kept by the Company, or in the bearer securities account kept by the authorized intermediary.
All shareholders may attend the shareholders' meeting, irrespective of the number of securities they hold, simply by producing evidence of their identity and the capacity in which they attend. The Board of Directors may, if it so deems appropriate, issue shareholders with personal admission cards in their names and demand that such cards be shown.

Any shareholder may grant a proxy on the terms and in accordance with the procedures laid down by law and applicable regulations. They may also vote by post on the terms and in accordance with the procedures laid down by law.
In particular, shareholders may, on the terms laid down in applicable statutory and regulatory provisions, send their proxy form and postal vote, either in paper form, or, further to a resolution of the Board of Directors published in the meeting notice documents, by electronic means.
The electronic form may be directly filled out and signed on the website set up by the central meeting administrator or by any means determined by the Board of Directors in compliance with the terms and conditions defined in the first sentence of the second paragraph of Article 1316-4 of the French Civil Code (i.e. the usage of a reliable means of identification guaranteeing the link between the signature and the form), which may for example consist of a user name and a password.
The proxy or vote thus expressed prior to the meeting by such electronic means, as well as the relevant delivery receipt, shall be deemed to constitute irrevocable written instruments that are binding on third parties, provided, however, that in case of transfer of ownership that takes place prior to midnight, Paris time, on the second business day preceding the meeting, the Company shall accordingly invalidate or amend, as the case may be, the proxy or the vote expressed prior to such date and time.

e) Attendance sheet – Meeting committee – Minutes of proceedings (Article 24 of the bylaws)

An attendance sheet complying with statutory requirements is kept at each meeting.
This attendance sheet, duly initialed by the shareholders in attendance and by the proxy holders (and to which are attached the proxies granted to each proxy holder), and where applicable postal voting forms, and certified as true by the meeting committee.
Meetings are chaired by the Chairman of the Board of Directors or, in his absence, by a director specifically empowered to that end by the Board. Failing this, the meeting itself elects its chairman.
The duties of scrutineers are carried out by those two members of the meeting, in attendance and accepting such duties, who hold the greatest number of votes, whether personally or as proxy holders.
The committee thus formed appoints a secretary who may but need not be a shareholder.
The duties of the committee members are to verify, certify and sign the attendance sheet, to ensure the proper conduct of proceedings, to resolve incidents at meetings, to verify votes expressed, to verify the validity thereof, and to ensure that the minutes of proceedings are drawn up.
Minutes of proceedings are drawn up and copies of or excerpts from the deliberations are issued and certified in accordance with applicable regulatory provisions.

f) Quorum - Voting - Number of votes (Article 25 of the bylaws)

At ordinary and extraordinary shareholders' meetings, the quorum is calculated with respect to all shares comprising the capital stock and, at special meetings, in respect of all shares of the relevant class, subject to deduction of shares deprived of their voting right pursuant to applicable statutory provisions.
A secret ballot may be requested either by the Board of Directors, or by shareholders representing at least one quarter of the capital stock and provided that they have submitted a written request to the Board of Directors to that effect.
The ordinary general meeting shall not deliberate validly on first notice unless the shareholders in attendance, represented or voting by post hold at least one-fifth of the shares carrying a voting right. On second notice, no quorum requirement shall apply.
It adopts resolutions by a majority of the votes held by the shareholders in attendance or represented, including shareholders voting by post.
The extraordinary general meeting shall not vote validly unless the shareholders in attendance, represented or voting by post hold at least one quarter of the shares carrying a voting right on first notice, and one fifth on second notice. Failing the latter quorum, the second meeting may be postponed to a date occurring no later than two months following the date of the second meeting.
It adopts resolutions by a two-thirds majority of the votes held by the shareholders in attendance or represented, including shareholders voting by post.
As a statutory exception to the foregoing provisions, the shareholders' meeting that deliberates on a capital increase by capitalization of reserves, retained earnings or additional paid-in capital may adopt resolutions in accordance with the quorum and majority requirements applicable to ordinary general meetings.
Furthermore, at extraordinary shareholders' meetings called to deliberate on the approval of an in-kind contribution or the grant of an individual benefit, the contributor or the beneficiary whose shares are deprived of voting rights shall not take part in the vote, whether personally or as proxy holder.

3.1.9 Items likely to have an impact in the event of a public takeover bid

In application of Article L. 225-100-3 of the French Commercial Code, we wish to specify the following points likely to have an impact in the event of a public takeover bid:

- The capital structure, the direct or indirect equity investments known to the Company and all relevant details are described under section 3.1.1 of the Registration Document, "Capital stock".
- There is no restriction in the bylaws on the exercise of voting rights except for the cancellation of voting rights, which one or more shareholders may request, if a shareholder has failed to declare having crossed a shareholding threshold provided for in the bylaws.
- There is no restriction in the bylaws on share transfers, with the exception of the shareholder agreement described in section 3.1.1 j) of the Registration Document, "Control of the Company".
- To the Company's knowledge, there are no agreements or commitments between shareholders other than those described in section 3.1.1 j) of the Registration Document, "Control of the Company".
- There are no shares granting holders special control. However, a double voting right is conferred upon shares which can be proved to have been registered in the name of the same shareholder for at least four years.
- The rules for the appointment and dismissal of members of the Board of Directors are based on statutory rules and are also specified in Articles 12 to 17 of the bylaws described in section 5.3.2 of the Registration Document, "Bylaw provisions or other rules for members of administrative and management bodies".

- With respect to the powers of the Board of Directors, current authorizations are set out in the table of powers to increase capital stock under section 3.1.1 e) of the Registration Document, "Authorized capital". The Board of Directors' share buyback powers are described under section 5.2.3 "Treasury stock - Description of the share buyback program".
- Changes to the Company bylaws are made in accordance with statutory and regulatory provisions.
- The voting rights attached to ID LOGISTICS shares held by staff via the ID Logistics Group employee equity mutual fund (FCPE) are exercised by a representative authorized by the fund's supervisory board to represent the holders in shareholders' general meetings.
- There are no special agreements providing for compensation if Board members or employees resign, are made redundant without actual and serious cause or if their employment is terminated due to a public takeover bid.
- The loan contracted by ID Logistics for the Logiters acquisition will be canceled and all or part of the remaining balance (€95.6 million at December 31, 2018) may immediately fall due in the event of a change in control or delisting of the Company share.

3.2 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The Company relies on the AMF's reference manual and guidelines for small and mid caps published in January 2007 and updated in July 2010 to establish its internal control manual and to structure its approach.

The internal control system covers all companies under the Group's control and included in the Group consolidation. Internal controls are tailored to the specific features of every consolidated company and take into account the relations between the Company and its subsidiaries.

However well the risk management and internal control procedures are designed and applied, they cannot provide an absolute guarantee of the Company's achievement of its objectives, which may partly depend on factors beyond the Company's control. Indeed, there are inherent limitations to any system and procedures in view of factors such as uncertainties in the outside world, use of judgment or flaws that can occur due to technical failures or human or other errors.

a) General principles of risk management

A risk is the possibility of the occurrence of an event, the consequences of which could harm the Company's human resources, assets, environment, objectives or reputation.

Risk management consists of a set of resources, behaviors, procedures and appropriate actions defined and implemented by a company. Risk management aims to identify and analyze the major risks faced by the Company. Risks exceeding limits considered acceptable are dealt with in an appropriate manner. In this context, the Company may implement action plans involving the introduction of appropriate procedures and controls as well as specific insurance programs if applicable.

The objectives of risk management are as follows:
- Make the Company's decision-making and strategic and operational procedures secure with a view to promoting its objectives by taking an objective overview of potential threats and opportunities, resulting in an appropriate risk-taking approach and adequate allocation of human, technical and financial resources,
- Safeguard and enhance the Company's value, assets and reputation by identifying and analyzing key threats and opportunities so that risks may be anticipated,
- Ensure that the Company's actions are consistent with its values,
- Rally the Company's employees behind a shared vision of the main risks and promote awareness of the challenges and risks related to their job.

Consistent with these objectives, the risk management system is based on:
- An organizational system
- People involved in internal control
- A reference manual
- A formal periodic review of the principal risks facing the Group
- A code of ethics

Any financial risks associated with climate change and the measures taken by the Company to reduce its carbon footprint in all aspects of its business are described in the sustainable development report in section 1.13 "Statement of consolidated non-financial performance" in the Registration Document.

b) General principles of internal control

The internal control procedures are based on the risk management system and are designed to identify the main risks and issues requiring control. The procedures include appropriate controls and ensure the efficiency thereof.

They cover a set of resources, behaviors, procedures and actions tailored to the specific features of each subsidiary and the Group as a whole, which:
- Promote control over the business, the efficiency of its operations as well as the effective use of resources,
- And must allow the Group to appropriately take into account major operational, financial and compliance risks.

The internal control procedures are specifically intended to ensure:
- Compliance with laws and regulations in force,
- Compliance with instructions and guidelines laid down by senior management or the Board
- of Directors,
- The proper functioning of Company in-house procedures, including those designed to safeguard its assets,

- Accuracy of accounting and financial data.

By helping to prevent and control the risk of the Company not achieving its objectives, internal control plays a key role in the conduct and control of the Group's various businesses. In this context, the Company has adopted a dynamic approach to adapt its internal control procedures to the nature and development of its activities.

The Group internal control procedures are primarily based on its organization, its capacity to disseminate information quickly and its targeted human resources policy.
The Group's organizational structure constitutes the underlying internal control environment.

- Board of Directors

The Board of Directors discusses the key issues facing the Group and decides on major strategies. Through its Rules of Procedure, Audit Committee and ongoing control over Group management, the Board ensures that internal controls function correctly throughout the Group.

- Senior management and Executive Committee

The Chairman and CEO has overall operational and functional responsibility to implement the Board of Directors' approved strategy across all Group businesses. He is specifically responsible for the effective implementation of internal controls within the Group.
The Chairman and CEO is assisted in his duties by the Deputy CEO and by an Executive Committee whose members are appointed by the Chairman and the Deputy CEO. As of the Registration Document Date, the Executive Committee comprised the Chief Financial Officer, the Chief Development and Innovation Officer, the Chief Operating Officer and the Chief Human Resources Officer.
Executive Committee members are responsible for setting up and monitoring internal control systems in their respective areas of responsibility.

- International Committee

The International Committee comprises the members of the Executive Committee, the directors of the 18 countries where the Group operates and some Group directors who are not members of the Executive Committee.
The International Committee is designed to be a forum for the exchange and communication of information between its members. The Committee ensures that Group strategy and the operational policies derived from it, including internal control matters, have been properly implemented.

- Operating divisions and functional departments

In view of the Group's highly decentralized structure, the general managers of every business have the necessary powers to organize, direct and manage the operations and functions for which they are responsible, and to delegate authority likewise to the managers who report to them.
Each division is responsible for adopting internal controls in line with both its organization and Group policies and rules.

The Group's lean management style and the regular financial, operational, HR and sales reporting ensure that information is rapidly and directly distributed. The Group has also introduced in-house communication systems including intranet, a staff journal, plasma screens, etc., which help to spread a culture of internal control.

Finally, the human resources function fully adheres to internal control procedures:

- On staff recruitment by ensuring appropriate skills in line with the responsibilities of the position and an awareness of Group policies and values;
- through an ongoing training program;
- through annual performance reviews.

c) Internal control relating to the preparation and processing of financial information

As part of the Company's overall internal control system described above, the Group finance department is specifically responsible for accounting and financial internal controls which help to ensure that accounting and financial information is accurate and in compliance. The system functions as follows:

- <u>Organization</u>

    - Accounting is centralized for all activities in France. While each country has its own accounting department so as to comply with local rules for statutory accounts, taxation and administrative declarations, as in France, it is centralized and supplier invoices and payments are made directly from the head office of the subsidiaries concerned.
    - The consolidation is performed within the Group finance department. Consolidation instructions and a reporting timetable are sent out at the beginning of every year. Standard consolidation packages are used by the various subsidiaries. Currency conversions and IFRS adjustments are primarily performed within the corporate consolidation department, which constantly checks accounting standards and, where necessary, adjusts the procedure and data reported by the subsidiaries.
    - All reporting and analysis by site and by country is centralized with the Group management accounting department, which prepares all reports that, after review by the Group finance department, are issued to senior management.
    - Treasury is centralized for all activities in France. A cash pool has been introduced for euro-denominated business. All borrowings, including outside France, are approved and centralized with the Group finance department.
    - Financial communications are centralized under the direct responsibility of the Chairman and CEO, the Deputy CEO and the CFO, who are the only people entitled to communicate Group financial data to outsiders. They prepare all financial press releases, which are published via a licensed broadcaster, the Group website and a PR agency.

- This organization is regularly reviewed and the employees involved are subject to an annual performance review. Training plans are put in place in order to maintain skills in line with Group requirements. The Group finance department participates in and approves the recruitment of chief financial officers of foreign subsidiaries. New foreign CFOs spend two weeks in induction training at the Group head office in France.

- Systems and procedures

Financial information is prepared on integrated systems: the SAP ERP system covers accounting for all French entities and management reporting for all Group business units worldwide. All users, including foreign CFOs and financial controllers, are trained in using this ERP system and the procedures are distributed. The budget is also prepared in this system in order to facilitate comparisons and analysis.

- Controlling

Management reports are regularly prepared and reported:

- On a weekly basis showing margin per warehouse;
- On a monthly basis including cut-off entries per site and overhead costs per country.

These monthly reports are backed up by an accounting closure which supplements these analyses with details concerning net income, cash flows, DSO and the balance sheet for each legal entity.

The monthly reports and financial results are discussed by Group finance department staff every month with every subsidiary before being presented to senior management.

Monthly scoreboards showing these financial indicators alongside operational indicators (e.g. volumes handled, hours worked, load ratio, hourly rate, etc.) and human resources indicators (e.g. temporary staff rate, accident rates, absenteeism, etc.) are sent to senior management. Variances vs. budget and prior year are explained and analyzed.

Real-time productivity reports per site (number of packages prepared, resources) are available on an ongoing basis.

The Group finance department performs a weekly cash review highlighting changes in cash balances over the previous week and a cash flow forecast for the following 5 weeks.

In addition to these various reports, a full-year projected Group cash flow statement and income statement are prepared every month based on forecasts received from all subsidiaries. These forecasts are presented and discussed with senior management, who subsequently take corrective action required to maintain estimated results in line with in-house budgets.

Finally, once a year, a three-year plan is prepared and presented to senior management per site and per country. These presentations lead to in-depth discussions on the financial results of the current year and the next three years, as well as on operational matters in order to anticipate their potential financial consequences: customer satisfaction surveys, HR statistics (industrial accidents, absenteeism, employment of disabled persons, etc.), identification of high-potential managers, review of staff morale, etc.

3.3 VIGILANCE PLAN

As part of the first-time application of Law No. 2017-399 dated March 27, 2017 on the due diligence of parent companies and instructing companies, the Chairman of the Board of Directors of the ID Logistics Group has adopted this vigilance plan in order to identify the risks and prevent serious breaches of human rights and fundamental freedoms, the health and safety of individuals and the environment.

Furthermore, Article 17 of the Sapin II law requires the ID LOGISTICS Group to implement an anti-corruption plan.

As the requirements and approach of these two laws are similar and complement one another, a joint working group has been set up. The due diligence plan prepared applies to the entire ID Logistics Group, which includes all consolidated companies (hereinafter referred to as the "Group"). It presents the overall progress of both plans.

The plan is one of many important parts of the Group's sustainable development policy, which has been in place for several years and is presented in the annual CSR report. The due diligence law has provided an opportunity to strengthen CSR efforts and, in particular, measures relating to the coordination of suppliers and subcontractors.

In order to prepare this plan, which applies to all ID Logistics Group companies, a working group comprising the following department representatives was formed: Purchasing, Human Resources, Risk management, Legal affairs, Operations.

The process for formalizing and defining the due diligence plan began in 2017 and continued in 2018, particularly in France.

In 2019, the aim is to complete the full-scale roll-out of the plan across all of the Group's foreign subsidiaries, strengthen the system through a continuous improvement and audit approach, and to present it to stakeholders.

The current plan was designed based on the initial observations set out in the due diligence law:

1. Risk mapping
2. Risk assessment and prevention
3. Whistleblowing system
4. Measuring effectiveness

3.3.1 Identification and assessment of risks generated by ID LOGISTICS' business

For a number of years, the Group has taken a global approach to managing its risks. The risks identified are classified under seven categories: External & Strategic, Business, Finance, Operational, Legal, Human Resources, and IT.

The working group conducted a review of all of these risks with regard to the due diligence law and the Sapin II law. Additional risks were identified and existing risks were defined in more detail, through a review of the entire value chain (risks of adverse impacts on individuals and the environment, and not only for the company).

25 specific risks were identified and classified under four categories:

1. Corruption & Integrity
2. Human rights and fundamental freedoms
3. Health and safety
4. Environment

Area	Examples of risks assessed
Corruption & Integrity	- Gifts - Facilitation payments - Conflicts of interest - Collusion with customer or supplier - Goods theft - …
Human rights	- Illegal workers - Compliance with working times - Regulations regarding temporary staff - …
Health and Safety	- Analysis of accidents at logistics sites - Analysis of road transport accidents - Food hygiene - …
Environment	- Dangerous goods storage - ICPE regulation - Building upkeep (sprinklers, etc.) - …

The risk assessment methodology has been formalized to enable the Group's various subsidiaries to implement an annual self-assessment campaign:

- Gross risk

This is the probability of the risk materializing without taking into account the risk management measures in place.

Risk assessment is based on three criteria:

1. Country vulnerability
   Country risk is assessed using two indices:
   - *CPI Transparency International*, Corruption Perception Index
   - *Maplecroft*, human rights

2. History/Maturity of the subsidiary in the area
   Identification and analysis of past incidents (serious accidents, disputes with partners, etc.) as well as the level of the subsidiary's maturity with regard to Ethics: regulatory framework, local code of ethics, local whistleblowing system, etc.

3. Risk factors
   Specific factors relating to the organization of the subsidiary, the services provided or the nature of the products stored (hazardous goods, food/fresh products, etc.).

- Net risk

This is the residual risk, i.e. the gross risk after taking into account control measures in place (procedures, checks, audits).

The net risk assessment determines the actions to be carried out:

- Danger zone: Mandatory implementation of an action plan by local management to reduce the risks and monitor progress at Group level
- Vigilance zone: Audit / Checks of control systems in place at Group level
- Comfort zone: Local risk monitoring

The risk matrix and associated methodology are formalized and distributed by the Group Risk Manager.

The CSR/Risk officer at each subsidiary carries out a self-assessment of the subsidiary's risks, identifies the risk management systems in place and formalizes an action plan for critical risks.

Subsidiary risk maps are consolidated by the Group Risk Manager, who may make adjustments/decisions.

The consolidation of subsidiaries' risk maps is currently being finalized, as well as the preparation and monitoring of associated action plans.

3.3.2 Risk assessment and prevention

The risk prevention strategy is based on a series of measures adapted to each area for which the Group is responsible. The main measures are presented below.

- Code of ethics

The Group's code of ethics sets out a set of rules and principles to be applied by all employees. Having been provided to all employees and made available on the Group's website, it was updated in 2018 to reflect legislative changes (Sapin II law on the prevention of corruption).

The new code was approved by the Board of Directors meeting held on January 16, 2019.

All of the topics covered in the due diligence law and Sapin II are included in this code, which has been appended to the internal regulations.

- Ethics training

Training in ethics is provided to all operational managers in France.

This training module is currently being reviewed, in order to take into account the requirements of the due diligence/Sapin II laws, but also to make the content more concrete with regard to risks identified during risk mapping. It must enable employees to identify human rights and ethical risks in their day-to-day duties, as well as the areas and activities most at risk, and to acquire the right reflexes.

This module, finalized in 2019, will take the form of an online e-learning program. It is designed to be completed by all Group managers via the training platform.

More specific in-class training sessions are provided to our employees and temporary staff members at our sites, as part of the integration process (covering safety, management and analysis of industrial accidents, PMS, management).

- ID Logistics Certification ("CID")

In order to ensure consistent operational quality throughout the world and to eliminate or mitigate operational risks, the Group has implemented internal certification at all its sites/logistics warehouses.

The framework includes Group and local rules, and involves:
- Internal and external audits
- Action plans
- A site performance report with an associated grade

The framework also includes a regulatory and safety component that covers due diligence requirements:

Group	**Commitment**	**Check Point examples**
Safety & Regulations	Staff receive safety training	- Monitoring and control of operating authorizations - Handling and posture training (load bearing, electrical authorizations, evacuation, classified sites, etc.) - On-site display of good practices and integration booklets
Safety & Regulations	Employee files are monitored	- Verification of documents - Verification of medical exams and other regulatory requirements - Integration process
Safety & Regulations	Industrial accidents are under control	- Monitoring and improvement of frequency and severity rates - Accident reports and preliminary analysis sheet - Risk assessment by work unit
Safety & Regulations	The management of the single assessment document is controlled	- Risk assessment and review by work unit - Safety meeting & and monthly safety inspection
Safety & Regulations	Regulatory aspects are in place	- Prevention plan suited to the specific risks relating to sub-contractors' business activities and working environment - Fire safety certificate / driving license, etc. - Evacuation drills - Wearing personal protective equipment

Safety & Regulations	Site security and access are ensured	- Audit of security specifications - Known and applied safety protocol - Loading/unloading procedures
Safety & Regulations	Environmental risks are monitored at the sites concerned	- Monitoring authorizations and approvals - Hazardous goods management and thresholds
Safety & Regulations	Actions to improve working conditions are underway	- Actions and best practices for the design of picking locations, pallet wrapping, use of mobile equipment, etc.
Safety & Regulations	Each site complies with a preventive and regulatory maintenance plan and ensures that the necessary repairs are performed	- Follow-up with ID Logistics' maintenance service providers - Follow-up of controls and audits - Audit of palletizers - Compliance of agreements signed with suppliers and subcontractors - Compliance of nationally approved suppliers
Safety & Regulations	Handling and IT equipment are managed	- Verification of regular general inspections - Maintenance of the fork-lift fleet - Fork-lift safety (anti-start system if the belt is not engaged, etc.) - Inventory of IT equipment
Safety & Regulations	Waste management and cleaning are ensured for non-food sites	- Waste recycling and monitoring the recycling bill - Specific disposal system for industrial waste - Cleaning checks
Safety & Regulations	The sanitary control of the site is ensured (temperature-controlled warehouse)	- Specific training plan - Product safety data sheets - Procedure and training guide for the control of products on receipt and shipment
Safety & Regulations	The sanitary control of the site is ensured (ambient warehouse for food storage)	- Specific training plan - Product safety data sheets - Procedure and training guide for the control of products on receipt and shipment
Safety & Regulations	The sanitary control of the site is ensured (mainly non-food ambient warehouse)	- Specific training plan - Product safety data sheets - Procedure and training guide for the control of products on receipt and shipment

- Purchasing and CSR Charter

A supplier code of conduct or ID Logistics Purchasing and CSR Charter specifies the corporate, social, ethical and environmental commitments required by the Group. It covers the following aspects:

- Business ethics and confidentiality
- Anti-corruption measures
- Environmental protection: energy and natural resource consumption, hazardous goods management, waste recycling
- Fundamental human rights (compliance with fundamental conventions, anti-discrimination initiatives)
- Working conditions (schedules, pay)
- Workplace health and safety

Suppliers are required to adhere to these principles and ensure that all of their subcontractors enforce them throughout their supply chains.

The charter must be signed by all suppliers as well as those participating in calls for tenders launched by the Group.

- Purchasing procedures

Given its decentralized operations across approximately 300 logistics warehouses worldwide, the Group has set up centralized procedures for approving and managing its suppliers.

Major purchasing families are managed by the Group Purchasing department or the Purchasing departments at our subsidiaries. Operational staff at our sites therefore have limited room for maneuver with suppliers, most of whom are preselected. This is designed to limit all risks relating to collusion and non-compliance with the Group's commitments.

Calls for tenders are launched at Group or national level for our subsidiaries. Supplier approval is based on a checklist, enabling potential CSR risks to be identified. The choice of supplier and contractual arrangements are approved by the Group's General Management or Management in the country concerned.

- Supplier questionnaire

The most important suppliers in terms of purchasing volumes undergo an evaluation/survey conducted by the purchasing department. These surveys help to ascertain internal stakeholders' (our logistics sites) perception of suppliers.

This assessment covers a number of qualitative criteria, specifically compliance with commitments imposed by the Group. A section on ethics and corruption will be added to this survey.

- Supplier risk mapping

A specific methodology has been set up to assess Group suppliers and implement the necessary actions for high-risk suppliers.

To begin with, Group purchases have been broken down into purchase categories/business activities. These categories are then assessed in relation to four risks:

- Ethical risks (gifts and benefits offered, collusion, etc.)
- Human rights risks (child labor, illegal workers, etc.)
- Safety risks (work on safety and security facilities at our sites, absence of operating authorizations, etc.)
- Environmental risks (transport, hazardous goods storage, etc.)

The most critical purchase categories identified during the assessment are then broken down by supplier and subcontractor. Each supplier's base country is recorded in order to distinguish two types of partners: those that operate in countries that do not present a risk, and those operating in countries that do. At-risk countries are those identified by Verisk Maplecroft.

Operating in a country classified as at-risk is a compounding factor that impacts the initial assessment.

Based on this risk assessment, the following actions are taken depending on the supplier and subcontractor risk:

1. Risk-free or low-risk partner:
   a. Signing of the Purchasing and CSR Charter
2. Moderate risk partner:
   a. Signing of the Purchasing and CSR Charter
   b. Inclusion of a CSR / Ethics clause in the purchase agreement
3. High-risk partner:
   a. Signing of the Purchasing and CSR Charter
   b. Inclusion of a CSR / Ethics clause in the purchase agreement
   c. Inclusion of an audit clause in the purchase agreement and on-site audits, if required

This partner assessment method applied in France must now be extended to all subsidiaries.

3.3.3 Whistleblowing system

The top-down policies for identifying and mitigating the ethical, social and environmental risks described below are combined with bottom-up reporting mechanisms, enabling anyone who observes an at-risk situation to bring it to the Group's attention.

The Group has set up an internal whistleblowing system to meet the requirements of the Sapin II law regarding corruption, and has extended it to environmental and human rights offenses. The objective is to have a single whistleblowing system for the entire Group.

The Group's Code of Ethics refers to the specific internal whistleblowing procedure, which is provided to employees and stakeholders. The Group whistleblowing system is available for use by third parties. The different type of alerts that can be submitted include:

- Conflicts of interest, corruption and influence trafficking
- Discrimination and harassment
- Financial and bank fraud
- Environmental protection
- Workplace health and safety
- Non-compliance with laws, regulations or the public interest

The Group has chosen a market solution specialized in reporting. The solution adopted meets all regulatory requirements: security of the whistleblowing channel, confidentiality of alerts and anonymity, personal data processing, platform accessible internally and externally, etc.

In accordance with Sapin II, ID Logistics has made sure that employees will not be punished or discriminated against should they make use of the whistleblowing system. Similarly, every effort has been made to ensure the protection of whistleblowers' personal data and confidentiality.

The Risk Manager and Legal Department are authorized to receive and investigate alerts under strict confidentiality, and to conduct any investigations they may deem necessary.

3.3.4 Measuring effectiveness: monitoring the measures implemented and assessing their effectiveness

The ad hoc committee, comprising the members of the initial working group, is responsible for monitoring the plan and assessing the various tools and actions in place. A half-yearly monitoring plan will be presented at the Group's Executive Committee meetings.

There are a number of indicators already used to assess the effectiveness of measures in place. New indicators are currently being considered for the monitoring of this system, and meet the continuous improvement requirement. The full integration of these measures into the internal control systems will also help ensure effective monitoring.

- Monitoring ID Logistics Certification ratings (CID)

Our sites all over the world will continue to be subject to internal and external audits, to determine compliance with the Group's standards and best practices.
When the rating is not in compliance, action plans must be implemented and monitored.

- Whistle blowing alert report

The recent roll-out of the whistle blowing system at Group level will make it possible to prepare a report on all alerts submitted by employees or third parties.
The report will include a description of the alerts submitted, the investigations carried out as well as any findings and actions to be taken. It will be presented at the Group's Executive Committee meetings every six months.

This section will be presented in more detail in the next report on the due diligence for 2019.

3.4 STATUTORY AUDITORS

3.4.1 Regular statutory auditors

- Deloitte et Associés

6 place de la Pyramide – 92908 Paris La Défense Cedex
Represented by Mr. Joël Assayah and Mr. Benjamin Haziza
Deloitte et Associés was appointed regular statutory auditor at the May 25, 2016 shareholders' general meeting for a six-year term ending at the close of the ordinary shareholders' general meeting called to approve the financial statements for the fiscal year ending December 31, 2021. Deloitte et Associés has been the statutory auditor of the Group's principal subsidiaries in France and abroad since incorporation. Deloitte et Associés is registered with the Versailles Institute of Statutory Auditors.

- Grant Thornton

Cité Internationale - 44 quai Charles de Gaulle – CS 60095 – 69463 Lyon Cedex 6
Represented by Ms. Françoise Méchin
At the May 23, 2018 annual shareholders' general meeting, Grant Thornton was named CFG Audit's replacement as regular statutory auditor, who resigned, for the remaining duration of its predecessor's term of office, i.e. until the end of the ordinary shareholders' general meeting called to approve the financial statements for the year ending December 31, 2019. Grant Thornton is registered with the Versailles Institute of Statutory Auditors.

3.4.2 Alternate statutory auditors

- BEAS

7-9, villa Houssay - 92200 Neuilly-sur-Seine
BEAS was appointed alternate statutory auditor at the May 25, 2016 shareholders' general meeting for a six-year term ending at the close of the ordinary shareholders' general meeting called to approve the financial statements for the fiscal year ending December 31, 2021.
BEAS is registered with the Versailles Institute of Statutory Auditors.

3.4.3 Fees paid to the statutory auditors

	2018								2017					
	Deloitte		Grant Thornton		CFG Audit		Other		Deloitte		CFG Audit		Other	
	€000	%	€000	%	€000	%	€000	%	€000	%	€000	%	€000	%
Audit														
- Statutory audits, certification														
Parent company	47	9%	40	12%	0	0%	0	0%	56	9%	30	15%	0	0%
Subsidiaries	450	86%	214	66%	116	100%	101	100%	523	86%	167	85%	189	100%
- Other procedures and services directly related to the statutory auditor's engagement														
Parent company	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Subsidiaries	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Subtotal	497	95%	254	78%	116	100%	101	100%	579	95%	197	100%	189	100%
Other services rendered to fully consolidated subsidiaries														
- Legal, tax and human resources	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
- Other*	24	5%	70	22%	0	0%	0	0%	28	5%	0	0%	0	0%
Subtotal	24	52%	70	22%	0	0%	0	0%	28	5%	0	0%	0	0%
TOTAL	509	100%	324	100%	116	100%	101	100%	607	100%	197	100%	189	100%

**Procedures on the statement of consolidated non-financial performance (or the ISR report) and acquisition due diligences*

4/ FINANCIAL STATEMENTS

4 FINANCIAL STATEMENTS

The reader is invited to read the following information relating to the Group's financial position and earnings together with the Group consolidated financial statements prepared under IFRS for the years ended December 31, 2018 and 2017 as provided under section 4.8 of the Registration Document, "Annual historic financial information".

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%.

4.1 GENERAL PRESENTATION

The Company's consolidated financial statements have been prepared pursuant to IFRS, as adopted by the European Union. The financial statements were approved by the Board of Directors at its March 13, 2019 meeting.

4.1.1 Key factors that had a material impact on business and earnings

• Development of the Group's business

The main factor that had a material impact on the Group's business and earnings was rapid growth and the corresponding increase in revenues.

In the past, most growth in revenues was derived from winning new contracts, which generally came from tender offers that put the main market players in competition with each other.

The start of a new contract involves progressive improvements in productivity due to training and gradual optimization of the staff involved, progressive changes to the site in terms of location of the goods in the warehouse, use of equipment, adaptation of logistical processes (i.e. goods-in, order picking, shipment, quality controls etc.) and the introduction of IT systems. Given these requirements, it can take several months before optimum productivity is reached.

Furthermore, a new contract may be acquired due to the Group establishing a presence in a new country. As stated under section 2.1 of the Registration Document, "Risks relating to the Group's business and market", the administrative costs of setting up a new operational legal entity in the relevant country are a further burden, in addition to the fact that initial operational productivity is below the optimum level.

Driving growth via the launch of new sites can therefore temporarily dampen the Group's overall earnings, which do not necessarily move in line with changes in revenues.

• Changes in contracts in progress
For existing contracts, changes in revenues mostly follow movements in the indices used to establish the contractual price for the services and volumes provided. As such, the state of the economy may have an impact on the indices and volumes themselves, and on the Group's capacity to successfully carry out commercial negotiations.

• Non-renewal of contracts
The non-renewal of a contract results in a loss in Group revenues and, accordingly, earnings.

• Volatility of volumes
Revenues, costs and the Group's operating income are subject to a certain degree of volatility in volumes during a year, month or even week. In order to manage such volatility, based on data provided from customers and knowledge acquired from past contracts, the Group optimizes the fixed and variable resources at its disposal in terms of real estate, equipment and staff.

• Changes in production costs
The Group's operating expenses cover both fixed and variable costs and include the following:
- Staff costs, including a fixed part and a variable part (due to temporary employees hired to cope with changes in volumes during the year);
- Real estate costs, which are largely fixed, and related overheads including energy, cleaning etc.;
- Plant and equipment costs (e.g. IT, fork-lift trucks etc.) covering rent, maintenance and consumables.

The Group strives to keep its costs variable where possible, notably its real estate, equipment and temporary staff expenses, and constantly reengineers its materials management procedures in order to improve the Group's margins.

4.1.2 Summary income statement

• Revenues
Revenues correspond to invoices for services rendered, which cover handling, storage and other services (i.e. management of shipments, transport, co-packing, etc.). Services are invoiced when rendered, generally on a monthly basis.
Revenues are recorded net of value added tax.

• Purchases and external charges
Purchases and external charges largely comprise the following items:
- Temporary staff costs;
- Premises costs including rent, rental charges, repairs and maintenance, security personnel and utilities such as water, electricity and gas;

- Handling and transport equipment costs on fork-lift trucks, tractors, articulated trailers, etc. covering rent, repairs and maintenance, fuel etc.;
- Sub-contracting costs;
- Other purchases and external charges comprise consumables (e.g. film, labels and packaging), travel expenses, IT costs and administrative costs.

- Staff costs

Staff costs cover all expenses related to Group employees including fixed and variable pay, related social security charges, pension accruals and charges, and employee profit share and incentives or the equivalent depending on the country concerned.
The accrued income under the CICE competitiveness and employment tax credit is deducted from staff costs.

- Miscellaneous taxes

The 'Miscellaneous taxes' line principally relates to tax on salaries, car tax, land tax, C3S social contribution (former ORGANIC contribution) in France and the equivalent depending on the country concerned.
The Group has opted to account for CVAE as a tax on income, while only the part relating to CFE continues to be posted under 'Miscellaneous taxes'.

- Other income and expenses

Other income and expenses largely consist of items that cannot be classified under one of the aforementioned categories, such as subsidies, disputes and adjustments and accrual write-backs if applicable.

- EBIT

EBIT reflects the economic results of operations before non-recurring items (such as restructuring costs) and non-operating items (such as amortization of acquired customer relations).

4.1.3 Alternative performance indicators

In addition to the financial indicators presented in the financial statements, the Group tracks the following alternative performance indicators:

- Like-for-like change in revenues: this reflects the Group's organic growth, excluding the impact of:
  - changes in consolidation scope: the contribution to revenues of companies acquired during the period and companies sold during the previous period is excluded;
  - changes in the applicable accounting principles;
  - changes in exchange rates, by calculating revenues for the various periods on the basis of identical exchange rates: published data for the previous period is converted using the exchange rate for the current period.
- 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

4.2 COMPARISON BETWEEN FISCAL YEARS 2018 AND 2017

€m	2018	2017
Revenues	1,410.3	1,329.3
Purchases and external charges	(795.2)	(749.4)
Staff costs	(528.8)	(509.2)
Miscellaneous taxes	(15.1)	(15.0)
Other underlying income (expenses)	1.2	2.7
Net write-backs (increases) to provisions	1.7	4.7
Net depreciation/impairment	(26.8)	(26.3)
EBIT before amortization of acquired customer relations	47.3	36.7
Amortization of acquired customer relations	(1.3)	(1.3)
Non-recurring income (expenses)	-	(5.6)
Operating income	46.0	29.9
Net financial items	(5.2)	(5.6)
Corporate income tax	(12.6)	(6.3)
Share of earnings of equity affiliates	0.5	0.4
Total consolidated net income	28.7	18.3
Minority interests	3.4	2.2
Group share	25.3	16.1

Consolidated revenues for the year ended December 31, 2018 amounted to €1,410.3 million, up 6.1% over 2017 as reported and up 9.3% like-for-like (constant exchange rates). Applying the definition at 4.1.3 "Alternative performance indicator", the Reconciliation of reported revenues to revenues on a like-for-like basis is as follows :

(€ m)	2017	Effects of acquisitions and disposals	Effects of exchange rate fluctuations	Effects of adoption of IAS 29	% like-for-like change	2018
Reevenues	1,329.3	none	-3.0%	-0.2%	9.3%	1,410.3

Revenues are broken down as follows:

€m	2018	2017
France	685.6	632.6
International	724.7	696.7
Total revenues	1,410.3	1,329.3

- France
  2018 revenues for France totaled €685.6 million, up 8.4% over the previous year. This increase is the result of strong momentum in existing contracts and the contribution of six new contracts launched during the year.

- International
  2018 International revenues amounted to €724.7 million, up 4.0%. Adjusted for favorable currency movements and the hyperinflation accounting treatment in Argentina, growth amounted to 10.2%. All countries posted growth thanks to positive overall momentum and the launch of 10 new contracts during the year.

Purchases and external charges amounted to €795.2 million in 2018, i.e. 56.4% of revenues, proportionally stable compared to 2017 (€749.4 million).

2018 staff costs amounted to €528.8 million, or 37.5% of revenues, compared to €509.2 million or 38.3% of revenues in 2017. This decrease is due to the series of action plans rolled out to improve productivity at the numerous sites opened over the past three years.

Miscellaneous taxes were stable at 1.1% of 2018 revenues, as in 2017.

2018 other income and expenses amounted to net income of €1.2 million, i.e. 0.1% of revenues, similar to the 2017 figure of 0.2% (€2.7 million).

2018 net provision write-backs amounted to €1.7 million, compared to €4.7 million in 2017. These provisions mainly concerned customer risks and staff costs accrued in 2017 or in prior years and used in 2018.

Net depreciation/impairment as a percentage of revenues remained stable at 1.9% in 2018, compared to 2.0% in 2017.

As a result of the foregoing items, 2018 EBIT before amortization of acquired customer relations came in at €47.3 million, which represented a 3.4% underlying margin on revenues, compared to 2017 EBIT of €36.7 million and a 2.8% margin. EBIT is broken down as follows:

€m	**2018**	**2017**
France	33.5	24.7
EBIT margin (% revenues)	*4.9%*	*3.9%*
International	13.8	12.0
EBIT margin (% revenues)	*1.9%*	*1.7%*
Total	47.3	36.7
EBIT margin (% revenues)	*3.4%*	*2.8%*

As in 2017, 2018 continued to benefit from the gradual increase in productivity achieved at the new sites launched in 2016, and from the tight control over start-up costs for new sites in 2017 and 2018:

- France
  The EBIT margin improved markedly from 3.9% in 2017 to 4.9% in 2018: as stated above, it was boosted by the increase in productivity under contracts launched in 2016 and 2017 and from tight control of start-ups in 2018.

- International
  The International EBIT margin increased from 1.7% in 2017 to 1.9% in 2018. As in France, this improvement is in line with the strategy to gradually ramp up productivity over the first two years of operation at new sites. However, EBIT margin was impacted by adverse currency effects of €1.5 million compared to 2017, including a €0.4 million loss arising from hyperinflation accounting in Argentina.

Amortization charges for acquired customer relations were stable at €1.3 million in 2018.

There were no non-recurring expenses in 2018. In 2017, non-recurring expenses totaling €5.6 million were incurred in connection with the restructuring of Logiters as part of its integration.

Net financial expense decreased from €5.6 million in 2017 to €5.2 million in 2018. Net cost of debt came to €3.6 million in 2018, down sharply from €4.7 million in 2017 due to the renewal of lines of credit at more attractive interest rates. Other net financial items include currency movements and discounting income/expense, increasing from €0.9 million in 2017 to €1.6 million in 2018, including €0.2 million due to the application of hyperinflation accounting in Argentina.

Corporate income tax includes the French "CVAE" tax on business value added, which amounted to €6.0 million in 2018, up from €5.0 million in 2017 in line with the improvement in earnings in France. Excluding CVAE, the 2018 tax charge amounted to €6.6 million, representing an effective tax rate of 19.0%, compared to a €1.3 million charge and an effective rate of 6.8% in 2017. The 2017 rate was particularly low due to the use of tax loss carryforwards in France (in particular those resulting from the 2013 CEPL acquisition) and abroad.

Group share of earnings of equity affiliates amounted to income of €0.5 million in 2018, comparable to the €0.4 million posted in 2017.

As a result of the foregoing items, 2018 consolidated net income came in at €28.7 million, up sharply from €18.3 million in 2017.

The minority interest share increased compared to 2017, while net income Group share amounted to €25.3 million, up from €16.1 million in 2017.

4.3 CASH AND CAPITAL

The reader is encouraged to read the following information relating to the Group's cash and capital together with the Group consolidated financial statements prepared under IFRS for the years ended December 31, 2018 and 2017 as given under section 4.8 of the Registration Document, "Annual historic financial information".

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%.

4.3.1 Group capital, cash and sources of finance

The Group's net borrowings break down as follows:

€m	12/31/2018	12/31/2017
Net cash and cash equivalents	105.7	90.1
Loans and borrowings	(168.7)	(153.5)
Net borrowings	(63.0)	(63.4)

4.3.2 Equity finance

The Company's capital has changed between its incorporation on September 12, 2001 and December 31, 2018 as follows:

Date	Capital stock	Operation
9/12/2001	€40,000.00	Company incorporation
1/21/2002	€874,720.00	Capitalization of shareholder loan
3/28/2002	€381,100.00	Capitalization of shareholder loan
12/21/2009	€757,110.00	Capitalization of receivable
4/17/2012	€684,310.00	Cash
7/22/2013	€54,200.50	In-kind capital contribution
2015	€1,500.00	Cash
2016	€2,000.00	Cash
2017	€6,247.00	Cash
2018	€20,050.00	Cash
Total	€2,821,237.50	

The share issues dated January 21, 2002 and March 28, 2002 were carried out by transferring shareholder loans, which represented moneys received from the founders and some managers since the Company's incorporation to fund the Company's development, to capital stock.

The December 21, 2009 share issue was fully subscribed by Immod. It is in payment for the acquisition by the Company from Immod of a 29.5% shareholding in the La Financière de Commerce et de Participations (Ficopar) subsidiary.

The April 17, 2012 share issue was subscribed in cash following the Company's IPO and resulted in a public float currently accounting for 25% of capital.

The July 22, 2013 share issue was carried out in consideration for the receipt of 151 bonds issued by Compagnie Financière de Logistique, the CEPL group parent company, in conjunction with the CEPL acquisition.

56,594 founders' warrants (BSPCEs) or equity warrants (BSAs) were exercised in 2016, 2017 and 2018, resulting in the issue of 56,594 new shares and a €28,297 capital increase.

4.3.3 Cash

As of December 31, 2018, the Group's net cash and cash equivalents amounted to €105.7 million, up from €90.1 million as of December 31, 2017.

€m	12/31/2018	12/31/2017
Cash and cash equivalents	105.9	90.1
Bank overdrafts	(0.2)	(0.0)
Net cash and cash equivalents	105.7	90.1

Cash and cash equivalents include cash, sight bank deposits, highly liquid money-market investments with initial maturities of up to three months and bank overdrafts. These investments amounted to €7.2 million as of December 31, 2018 and €2.6 million as of December 31, 2017.

4.3.4 Debt finance

In addition to using operating cash flows, the Group funds capital expenditure by loans, finance leases and, where necessary, factoring.

These sources of finance are broken down as follows by category:

€m	12/31/2018	12/31/2017
Bank loan	131.3	127.1
Finance leases	32.3	20.9
Factoring	5.0	5.1
Other payables	0.2	0.4
Total	168.7	153.5

With regard to the Logiters acquisition, in August 2016 the Group took out a bank loan initially amounting to €112 million repayable over five years, with the first annual repayment installment due on January 31, 2017. Bank fees in relation to setting up this loan are accounted for as a deduction from the initial amount and amortized over the 5-year loan term. In addition to this bank loan, a €20.0 million revolving credit facility had been drawn down in full as of December 31, 2018.

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

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

As of December 31, 2018, the Group had unused credit lines amounting to €22.5 million reported under borrowings and €12.9 million reported under finance lease liabilities (compared to €19.5 million and €8.6 million respectively as of December 31, 2017).

4.3.5 Loan terms and conditions and financing structure

At December 31, 2018, the maturities of these borrowings break down as follows:

€m	Due in less than 1 year	Due in 1 to 5 years	Due in morethan 5 years	Total
Bank loans	56.3	68.8	6.2	131.3
Finance leases	8.3	22.9	1.1	32.3
Factoring	5.0	-	-	5.0
Other payables	0.1	-	-	0.1
Total	69.7	91.7	7.3	168.7

At December 31, 2018, the breakdown of these borrowings by interest rate and currency is as follows:

€m	Amount	Currency	Rate
Bank loans	94.4	EUR	Floating
Bank loans	12.5	BRL	Floating
Bank loans	21.0	EUR	Fixed
Bank loans	0.8	PLN	Fixed
Bank loans	1.8	CNY	Fixed
Bank loans	0.9	RUB	Fixed
Factoring	5.0	EUR	Floating
Finance leases	22.2	EUR	Fixed
Finance leases	1.1	PLN	Fixed
Finance leases	0.6	BRL	Fixed
Finance leases	8.1	EUR	Floating
Finance leases	0.3	ARS	Fixed
Total	168.7		

The €94.4 million bank loan has been hedged via an interest rate cap covering €37.8 million as of December 31, 2018.

4.3.6 Restrictions on the use of capital resources

There are no restrictions on the use of capital resources generated or received by the Company and its subsidiaries.

4.3.7 Off-balance sheet commitments

Off-balance sheet commitments granted by the Group are as follows:

€m	12/31/2018	12/31/2017
Real estate leases	286.2	225.2
Plant and equipment leases	81.9	60.4
Parent company guarantees	21.0	10.7
Borrowings subject to covenants	75.6	100.8
Total	464.7	397.1

In addition to the borrowings subject to covenants described in section 4.3.4 of the Registration Document, "Debt finance", the off-balance sheet commitments at December 31, 2018 mainly relate to lease commitments on warehouses or equipment over the remaining term of the lease, as follows:

€m	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Real estate leases	88.4	176.4	21.3
Plant and equipment leases	31.9	47.4	2.7
Total	120.3	223.8	24.0

4.4 CASH FLOWS

4.4.1 Comparison of fiscal years 2018 and 2017

€m	2018	2017
Net income	28.7	18.3
Net depreciation/impairment	28.5	27.6
Change in working capital	(1.7)	(12.8)
Other changes	6.2	(4.7)
Net cash flow from operating activities	61.7	28.4
Net capital expenditure	(59.3)	(36.8)
Net cash flow from investing activities	(59.3)	(36.8)
Share issue	2.6	0.8
Net borrowings taken out (repaid)	16.1	14.3
Net financial expenses on financing activities	(3.6)	(4.7)
(Purchase) sale of treasury shares	0.0	(0.2)
Non-Group dividends distributed	(1.4)	(0.5)
Net cash flow from financing activities	13.7	9.7
Exchange gains (losses)	(0.6)	(0.2)
Change in net cash and cash equivalents	15.6	1.1
Opening net cash and cash equivalents	90.1	89.0
Closing net cash and cash equivalents	105.7	90.1

Net cash flow from operating activities
2018 net cash flow from operating activities amounted to €61.7 million, a sharp increase compared to 2017 (€28.4 million).

- As stated above, consolidated net income increased by €10.4 million between 2017 and 2018, despite a €0.9 million increase in net depreciation and amortization charges over the same period.
- The change in working capital represented a slight €1.7 million outflow in 2018 compared to a €12.8 million outflow in 2017:
  - Operating working capital (trade receivables and payables) increased slightly from 8 days sales as of December 31, 2017 to 9 days as of December 31, 2018. Average payment periods changed as follows:

	12/31/2018	12/31/2017
Average customer payment period [1]	51	49
Average supplier payment period [2]	82	80

(1) *In days sales*
(2) *In days purchases*

  - Non-operating working capital (tax and social security payables and other receivables and payables) represents an inflow that increased by 7 days sales between 2017 and 2018, and accounts for most of the improvement in the change in working capital.

Net cash flow from investing activities
2018 net cash flow from investing activities represented a net outflow of €59.3 million, compared to €36.8 million in 2017. This breaks down as follows:

- In 2018, the Group finalized investment in the new head office, occupied in July, and in a new ERP system launched in early 2018. This "non-operating" capital expenditure totaled €6.9 million in 2018 compared to €4.3 million in 2017.
- Adjusted for these non-operating investments, 2018 net capital expenditure amounted to €52.4 million, compared to €32.5 million in 2017. As in previous years, net cash flow from investing activities principally consisted of capital expenditure on plant and equipment required for starting up new sites and, to a lesser extent, payments or repayments of deposits on leased warehouses. This amounted to 3.7% of revenues in 2018, up from 2.4% in 2017 due to a number of automated logistics projects in the e-commerce, clothing and fragrance sectors.

Net cash flow from financing activities
2017 net cash flow from financing activities amounted to an inflow of €13.7 million, compared to €9.7 million in 2017.

- In 2016, the Group took out a €112 million loan to finance the price paid to shareholders for the Logiters acquisition and the refinancing of existing loans as of the acquisition date. Under this loan, €11.2 million was repaid in 2017 and €25.2 million in 2018, in accordance with the repayment schedule.
- The Group drew on the €20 million revolving credit facility attached to the loan for the first time in 2017, and maintained it in 2018.
- Besides these items, other financing flows comprised net borrowings taken out, totaling €41.3 million in 2018 and €5.6 million in 2017. These loans helped finance the Group's development, in particular the investments mentioned above.
- Net financing expenses were down from €4.7 million in 2017 to €3.6 million.
- The capital increases relate to the exercise of equity warrants (BSAs) or equivalent instruments granted to Group managers.
- Treasury share transactions relate to a liquidity agreement established following the Group's IPO in April 2012.

In total, after exchange gains and losses, the Group posted a €15.6 million net cash inflow in 2018, compared to a net inflow of €1.1 million in 2017.

4.5 REQUIRED SOURCES OF FINANCE FOR THE FUTURE

Group management considers that operating cash flows and available sources of finance as described under section 4.3.4 of the Registration Document, "Debt finance", are sufficient to fund the Group's organic growth.

4.6 CAPITAL EXPENDITURE

4.6.1 Main capital expenditure over the last three fiscal years

Capital expenditure over the last three years excluding subsidiary acquisitions breaks down as follows:

€m	2018	2017	2016
Intangible assets	10.5	8.6	4.3
Property, plant and equipment	48.2	29.9	29.6
Financial assets	1.4	3.9	2.1
Total	60.1	42.4	36.0

These assets relate to ordinary operations including storage equipment, fork-lift trucks, transport equipment, information systems, computer hardware, electronic access and surveillance material and equipment. This capital expenditure is usually made at the start of a new contract.

It also includes non-operating capital expenditure on the new Group head office and the new ERP system totaling €4.3 million in 2017 and €6.9 million in 2018.

4.6.2 Principal ongoing capital expenditure

As of the Registration Document Date, there are no material capital expenditure programs in progress.

4.6.3 Main capital expenditure planned

As of the Registration Document Date, the Company's senior management have not adopted any firm commitments regarding major capital expenditure.

4.7 DIVIDEND DISTRIBUTION POLICY

4.7.1 Dividends distributed in the last three fiscal years

None

4.7.2 Dividend distribution policy

In view of the Group's growth strategy, which covers both organic growth and mergers and acquisitions, Group management is not planning to make any short-term commitments regarding dividend distribution policy.

However, the Company's Board of Directors will regularly review opportunities to pay out a dividend taking account of the general state of the economic environment, the specific state of its business sector, the Group's earnings and financial position, the interests of the shareholders and any other factors it deems to be relevant.

4.8 ANNUAL HISTORIC FINANCIAL INFORMATION

Pursuant to Article 28 of European regulation 809/2004 dated April 29, 2004, the reader is referred to the following documents:
- the Company's Registration Document filed with the *Autorité des Marchés Financiers* (French financial markets authority or AMF) on April 20, 2018 under reference number D.18-0352, for the following financial information pertaining to fiscal 2017: management report and the historic consolidated financial statements including audit reports;
- the Company's Registration Document filed with the *Autorité des Marchés Financiers* (French financial markets authority or AMF) on April 26, 2017 under reference number D.17-0435, for the following financial information pertaining to fiscal 2016: management report and the historic consolidated financial statements including audit reports.

4.8.1 2018 Group consolidated financial statements

CONSOLIDATED INCOME STATEMENT

(€000)	Notes	2018	2017
Revenues		**1,410,300**	**1,329,270**
Purchases and external charges		(795,191)	(749,430)
Staff costs		(528,814)	(509,197)
Miscellaneous taxes		(15,125)	(14,965)
Other underlying income (expenses)	Note 16	1,201	2,694
Net (increases) write-backs to provisions	Note 17	1,712	4,666
Net depreciation/impairment	Note 18	(26,776)	(26,328)
EBIT before amortization of customer relations		**47,307**	**36,710**
Amortization of acquired customer relations		(1,287)	(1,287)
Non-recurring income (expenses)	Note 19	-	(5,556)
Operating income		**46,020**	**29,867**
Financial income	Note 20	1,001	674
Financial expenses	Note 20	(6,237)	(6,299)
Group income before tax		**40,784**	**24,242**
Corporate income tax	Note 21	(12,586)	(6,332)
Share of earnings of equity affiliates	Note 4	498	430
Total consolidated net income		**28,696**	**18,340**
Minority interests		3,360	2,191
Group share		25,336	16,149
Earnings per share, Group share			
Basic EPS (€)	Note 22	4.50	2.89
Diluted EPS (€)	Note 22	4.24	2.71

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€000)	2018	2017
Total consolidated net income	**28,696**	**18,340**
Post-tax pension provision discounting income (charge)	(2,689)	(2,504)
Other comprehensive income not reclassified to the income statement	**(2,689)**	**(2,504)**
Post-tax exchange differences	630	981
Other post-tax items	(286)	(98)
Other comprehensive income that may be transferred to the income statement	**344**	**883**
Total gains and losses posted to shareholders' equity net of tax	**(2,345)**	**(1,621)**
Comprehensive net income	**26,351**	**16,719**
Minority interests	3,191	2,067
Group share	23,160	14,652

CONSOLIDATED BALANCE SHEET

(€000)	Notes	12/31/2018	12/31/2017
Goodwill	Notes 1-3	172,659	172,659
Intangible assets	Note 1	22,502	18,959
Property, plant and equipment	Note 2	103,948	79,289
Investments in equity affiliates	Note 4	1,229	1,037
Other non-current financial assets	Note 5	11,869	10,816
Deferred tax assets	Note 11	9,199	12,285
Non-current assets		**321,406**	**295,045**
Inventories		227	131
Trade receivables	Note 6	250,694	225,952
Other receivables	Note 6	53,393	51,659
Other current financial assets	Note 5	23,132	38,430
Cash and cash equivalents	Note 7	105,914	90,147
Current assets		**433,360**	**406,319**
Total assets		**754,766**	**701,364**
Capital stock	Note 8	2,821	2,801
Additional paid-in capital	Note 8	57,241	54,684
Exchange differences		(11,371)	(8,857)
Consolidated reserves		105,369	88,865
Net income for the year		25,336	16,149
Shareholders' equity, Group share		**179,396**	**153,642**
Minority interests		10,419	8,639
Shareholders' equity		**189,815**	**162,281**
Borrowings (due in over 1 yr)	Note 9	98,937	94,194
Long-term provisions	Notes 10-15	20,407	20,298
Deferred tax liabilities	Note 11	30	11
Non-current liabilities		**119,374**	**114,503**
Short-term provisions	Note 10	9,608	9,961
Borrowings (due in less than 1 yr)	Note 9	69,758	59,329
Other current financial liabilities	Note 14	-	-
Bank overdrafts	Note 7	222	30
Trade payables	Note 12	207,616	199,010
Other payables	Note 12	158,373	156,250
Current liabilities		**445,577**	**424,580**

Total liabilities and shareholders' equity	**754,766**	**701,364**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€000)	**Note**	**2018**	**2017**
Net income		28,696	18,340
Net depreciation, impairment and provisions		28,529	21,654
Share of undistributed earnings of equity affiliates	Note 4	(192)	(303)
Capital gains or losses on the sale of fixed assets		-	(3,271)
Change in working capital	Note 23	(1,723)	(12,801)
Net cash flows from operating activities after net cost of debt and tax		**55,310**	**23,619**
Corporate income tax	Note 21	12,586	6,332
Net financial expenses on financing activities	Note 20	3,557	4,700
Net cash flows from operating activities before net cost of debt and tax		**71,453**	**34,651**
Tax paid		(9,781)	(6,246)
Net cash flow from operating activities		**61,672**	**28,405**
Purchase of intangible assets and PP&E	Notes 1-2	(58,738)	(38,540)
Purchase of financial assets		(1,422)	(3,923)
Sale of intangible assets and PP&E	Notes 1-2	886	586
Sale of financial assets		1	5,084
Net cash flow from investing activities		**(59,273)**	**(36,793)**
Net financial expenses on financing activities	Note 20	(3,557)	(4,700)
Net loans received	Note 9	61,768	41,550
Loan repayments	Note 9	(45,669)	(27,264)
(Purchase) sale of treasury shares		17	(182)
Minority interest dividends		(1,410)	(517)
Share issue	Note 8	2,577	849
Net cash flow from financing activities		**13,726**	**9,736**
Exchange gains (losses)		(551)	(209)
Change in net cash and cash equivalents		**15,574**	**1,139**
Opening net cash and cash equivalents	Note 7	90,117	88,978
Closing net cash and cash equivalents	Note 7	105,691	90,117

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**
2017 net income			16,149		16,149	2,191	18,340
Gains and losses posted to shareholders' equity			842	(2,339)	(1,497)	(124)	(1,621)
Distribution of dividends					-	(517)	(517)
Treasury shares			(182)		(182)		(182)
Share issue	6	843			849		849
December 31, 2017	**2,801**	**54,684**	**105,014**	**(8,857)**	**153,642**	**8,639**	**162,281**
2018 net income			25,336		25,336	3,360	28,696
Gains and losses posted to shareholders' equity			338	(2,514)	(2,176)	(169)	(2,345)
Distribution of dividends					-	(1,411)	(1,411)
Treasury shares			17		17		17
Share issue	20	2,557			2,577		2,577
December 31, 2018	**2,821**	**57,241**	**130,705**	**(11,371)**	**179,396**	**10,419**	**189,815**

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, Orgon (13660), France. ID Logistics Group SA and its subsidiaries (hereinafter the "Group") carry out their logistics business in France and seventeen other countries.

The Group consolidated financial statements for the year ended December 31, 2018 were approved by the Board of Directors on March 13, 2019. Unless otherwise indicated, they are presented in thousands of euros.

2 BASIS FOR THE PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Accounting principles and methods applied

The Group consolidated financial statements for the year ended December 31, 2018 have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS"), as adopted in the European Union as of December 31, 2018. International accounting principles cover all standards approved by the International Accounting Standards Board ("IASB"), i.e. IFRS, International Accounting Standards ("IAS") and the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC").
Said accounting principles can be viewed on the following websitehttp://ec.europa.eu/finance/company-reporting/index_en.htm
If there are no standards or interpretations applicable to a specific transaction, Group management uses its own judgment to define and apply the accounting principles which result in fair and reliable data so that the financial statements:

- give a fair view of the Group's financial position, earnings and cash flows;
- reflect the economic substance of the transactions;
- are objective;
- are prudent; and
- are complete in all significant aspects.

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 to IFRS (2014-2016 cycle).

Following an analysis of the Group's various sources of revenue, and given the nature of its business activities, the impact of IFRS 15 on revenue recognition as from January 1, 2018 is not material.

2.2.2 New standards, amendments and interpretations adopted by the European Union and compulsory for fiscal years beginning 2019

The Group has not applied in advance the following standards and amendments:
- Amendment to IFRS 9 – Financial instruments
- IFRS 16 – Leases
- IFRS 17 – Insurance policies
- Amendments to IAS 7 – Disclosure initiative
- Amendments to IAS 12 – Recognition of deferred tax assets for unrealized losses
- Amendments to IFRS 10 and IAS 28 – Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IFRS 2 – Classification and measurement of share-based payment transactions
- Amendments to IFRS 4 - Applying IFRS 9, *Financial instruments* with IFRS 4, *Insurance contracts*
- IFRIC 22 – Foreign currency transactions and advance consideration
- Amendments to IFRS 15 - Clarifications to IFRS 15
- IFRIC 23 – Uncertainty over income tax treatments
- Amendments to IAS 19 – Plan amendment, curtailment or settlement
- Annual improvements to IFRS (2015-2017 cycle)

The Group is currently analyzing the consequences of these new standards, amendments and interpretations and the impact of their application on the financial statements. It does not expect any material impacts to arise from the application of the new mandatory standards, with the exception of IFRS 16, as from January 1, 2019.

Considerations regarding IFRS 16
The Group is currently finalizing its assessment of the impact of IFRS 16 "Leases", approved by IASB and adopted by the European Union on October 31, 2017, with first-time application for fiscal years beginning on or after January 1, 2019. The application of IFRS 16 will have the following impacts:
- on the income statement: cancellation of rental expenses and the recognition of depreciation and interest charges,
- on the balance sheet: recognition of a right-of-use asset under PP&E and a financial liability representing the rental obligation. The asset and liability will be presented on the balance sheet under a specific heading in the statement of financial position.

The Group has decided to opt for the simplified retrospective transition approach, involving the recognition of the cumulative effect of the first-time application of the standard on the date of first-time application, and the recognition of the lease liability by discounting future rents to their present value as of the date of first-time application using the marginal borrowing rate as of the first-time application date. The Group has decided to apply an asset value equal to the amount of the lease liability, adjusted for the amount of rent paid in advance or payable as recorded in the statement of financial position immediately prior to the first-time application date.
Pursuant to the standard, no comparative information will be provided in the financial statements.
The application of this standard is not expected to have a material impact on Group net income or shareholders' equity. However, for information purposes, the application of IFRS 16 is expected to have a material impact on fixed assets, financial liabilities and EBITDA (borrowings doubled and intangible assets and PP&E tripled as of January 1, 2019).

2.3 Underlying accounting convention

The consolidated financial statements have been prepared pursuant to the historical cost convention, with the exception of certain assets and liabilities in accordance with IFRS rules. The assets and liabilities in question are mentioned in the notes below.

2.4 Estimates and judgments

To prepare the accounts, the Group made certain estimates and adopted certain assumptions that it considered reasonable and realistic. The Group reviews its estimates and assumptions on a regular basis to take account of past experience and other factors considered relevant in view of economic conditions. Depending on how these assumptions evolve and on various conditions, the actual amounts or the amounts recorded in future financial statements may differ from the current estimates.

The principal estimates made by the Group to prepare the financial statements relate to the valuation and estimated useful lives of non-current operating assets and goodwill, the valuation of contingency and other operating provisions, the valuation of recorded deferred tax assets and assumptions adopted to calculate employee benefit liabilities.

2.5 Presentation principles

2.5.1 Income statement

Pursuant to IAS 1 - Presentation of financial statements, the Group presents the consolidated income statement by nature of expenses.

2.5.2 Balance sheet

Pursuant to IAS 1 - Presentation of financial statements, the Group presents the consolidated balance sheet distinguishing between current and non-current assets and between current and non-current liabilities.

The Group's operating assets, cash and cash equivalents and operating financial assets are all stated as current assets. Deferred tax assets and the other assets are stated as non-current assets.

The Group's operating liabilities and payables falling due in the next 12 months are stated as current liabilities. Deferred tax liabilities and the other liabilities are stated as non-current liabilities.

3 Highlights

The Group began operating a new co-packing business in Santiago (Chile, its 18th country) during the fourth quarter. A second site measuring 50,000 sqm will be launched during the first quarter of 2019.

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 Accounting principles and methods

4.1 Consolidation principles and scope

The Group consists of the parent company, ID Logistics Group SA, and its subsidiaries, joint ventures and equity affiliates. The list of companies included in the Group consolidation is provided in Note 29. All consolidated companies have the same balance sheet date.

4.1.1 Subsidiaries

The subsidiaries' financial statements are included in the consolidated financial statements as from the date when control is acquired and until the date such control is lost.

Material transactions, balances and inter-company profits and losses between consolidated companies are eliminated.

4.2 Conversion of foreign currencies

4.2.1 Operating currency and reporting currency

The accounts are maintained in the operational currency of each Group company, i.e. the currency of the principal economic environment in which it operates, which is generally the local currency.

The consolidated financial statements are stated in euros, which is the operating and reporting currency of ID Logistics Group SA, the consolidating company.

4.2.2 Transactions in foreign currencies

Transactions denominated in foreign currencies are converted at the prevailing exchange rate as of the transaction date. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are converted at the closing rate. Exchange gains and losses arising are posted to income.

Exchange differences on monetary assets and liabilities linked to a net investment in foreign subsidiaries are posted to currency reserves.

4.2.3 Conversion of subsidiaries' financial statements denominated in foreign currencies

Balance sheets of companies whose operating currency is not the euro are converted into euros at the closing rate, while their income statements and cash flow statements are converted into euros at the average rate for the year. The exchange difference arising is posted to shareholders' equity under "Exchange differences". If a company is sold or closed, the related cumulative exchange differences in shareholders' equity are posted to income for the period.

Goodwill is monitored in the currency of the subsidiary concerned.

As the conditions for treating Argentina as a hyperinflationary economy as defined by IFRS have now been met, the Group has decided to apply IAS 29 to its operations in Argentina as from July 1, 2018, with an effective date of January 1, 2018.

4.3 Business combinations, purchases of further equity interests and sales of equity interests

At the acquisition date, the goodwill equals the difference between:

- the fair value of the consideration transferred in exchange for control of the company, including any additions to the price, plus the value of the minority interests in the acquired company and, for a business combination performed in steps, plus the fair value at the acquisition date of the purchaser's previously held investment in the acquired company, with the corresponding revaluation via the income statement; and
- the fair value of identifiable assets and liabilities acquired at the acquisition date.

Any purchase price supplements for business combinations are thus valued at fair value at the acquisition date. After the acquisition date, they are measured at fair value through profit or loss, unless the reason for the adjustment is related to a situation existing prior to the acquisition of which the purchaser was not aware. Following a one-year period from the acquisition date, any change in fair value is posted to income.

If the goodwill is negative, it is immediately posted to income.

Costs directly attributable to business combinations are recognized as expenses in the period.

If less than 100% control is acquired, IFRS 3 revised gives the option, for any business combination, to recognize goodwill based either on 100% interest or on the percentage interest acquired (without subsequent change in the event of further purchases of equity interests not giving control). Minority interests (non-controlling interests) in the acquired company are similarly valued either at fair value or at the share of net identifiable assets of the company acquired.

Business combinations prior to January 1, 2010 used to be accounted for under the partial goodwill method, which was the only applicable method.

For further acquisitions of equity interests in a subsidiary completed after January 1, 2010, the difference between the purchase price of the investment and the additional share of consolidated equity acquired is posted to shareholders' equity, Group share, without changing the consolidated value of the subsidiary's identifiable assets and liabilities including goodwill. For purposes of the consolidated statement of cash flows, payments for acquisitions paid in cash net of related acquisition costs are classified as cash flows from financing activities.

4.4 Intangible assets

Intangible assets are stated at cost less cumulative amortization and impairment.

Intangible assets include amortized assets such as software, patents and customer relations.

In the case of business combinations where the customer profile, market share or operations of the entity acquired allow it to continue trading with its customers in view of customer loyalty programs, customer relations are posted to intangible assets and amortized over a period estimated as of the acquisition date.

Amortizing intangible assets are written down in fixed annual amounts over one to twelve years.

4.5 Property, plant and equipment

Property, plant and equipment is stated at cost less cumulative depreciation and impairment.

The cost of borrowings taken out to finance major capital expenditure, incurred during the period of construction, is included in the acquisition cost.

Investment grants are recorded as a deduction from the value of property, plant and equipment.

Land is not depreciated. Other property, plant and equipment with a finite useful life is depreciated on a straight-line basis, based on the following estimated useful lives:

Buildings	10 to 30 years
Building fixtures and fittings	10 years
Plant, machinery and tools	3 to 10 years
Vehicles	3 to 8 years
IT and office equipment	3 to 8 years

Useful lives are reassessed at each balance sheet date. Assets with indefinite useful lives are not depreciated but are tested for impairment each year.

In view of the nature of the assets held, with the exception of buildings, no material asset components have been identified.

4.6 Leases

Pursuant to IAS 17 - Leases, leases are classified under two categories as follows:
- Finance leases,
- Operating leases.

Finance leases

Finance leases involve the transfer of substantially all risks and rewards of ownership of the assets in question.

Assets under finance leases are initially recorded under balance sheet assets at the lower of (i) the fair value of the leased asset and (ii) the discounted present value of the minimum lease payments under the lease, while posting a corresponding financial liability. Thereafter, balance sheet assets under finance leases are depreciated based on the same estimated useful lives as the other fixed assets in the same category. Payments in respect of the finance lease liabilities are broken down between repayment of the liability and interest costs.

Depreciation and amortization of assets acquired under these contracts is included under depreciation and amortization charges.

Operating leases

All other leases are operating leases and are not adjusted for accounting purposes. Payments under operating leases are posted to operating expenses in the income statement.

4.7 Impairment of fixed assets

Impairment of property, plant and equipment and intangible assets

Pursuant to IAS 36 – Impairment of assets, the Group measures the recoverable value of its non-current assets based on the following procedure:
- For depreciated property, plant and equipment and amortized intangible assets, management determines whether there is an indication of loss in value on such assets at each balance sheet date. Indications of loss in value are identified in relation to external or internal criteria. If applicable, an impairment test is carried out by comparing the net book value with the recoverable value, which is the higher of (i) the sales price less future selling costs and (ii) the value in use,
- For goodwill, an impairment test is carried out at least once a year and whenever an indication of loss in value is identified. Goodwill is tested in relation to the geographical region where the relevant business operates.

Value in use is calculated based on the discounted present value of the estimated future cash flows from using the assets. Future cash flows are derived from (i) a three-year business plan prepared and approved by management, (ii) five further years of extrapolated cash flows after the business plan period in order to take account of business growth trends and a gradual rise in operating margins to normal levels, (iii) plus a terminal value based on normal discounted cash flows applying a growth rate to infinity. The discount rate applied represents the Company’s post-tax weighted average cost of capital.

Impairment recorded against goodwill cannot be reversed or written back.

Impairment on investments in equity affiliates

Impairment tests on the value of investments in equity affiliates are conducted whenever there is an indication of loss in value. Under these tests, the book value of investments in equity affiliates is compared to the Group share of the present value of expected future cash flows for the equity affiliate concerned. If the book value of the investment exceeds the present value of expected future cash flows, an impairment charge for the difference is booked against the value of the investment in the equity affiliate concerned.

Impairment write-backs on intangible assets (other than goodwill), property, plant and equipment and investments in equity affiliates

At every balance sheet date, the Group assesses whether new events or circumstances show that impairment booked in previous periods may be written back.

In this case, if recoverable value based on the new estimates exceeds the net book value of the relevant asset, the Group writes back the impairment for an amount limited to the book value after depreciation that would have resulted had the impairment not been recorded.

4.8 Financial assets

Financial assets are analyzed and classified into the following four categories:
- Financial assets stated at fair value through profit or loss including:
  - Financial assets held for sale: a financial asset is classified in this category if it is purchased principally to be resold. The Group has no assets in this category.
  - Financial assets measured at fair value: the Group has no assets in this category.
  - Derivatives traded for hedging purposes but not documented as such.
- Financial assets held until maturity: these are non-derivative financial assets with fixed or determinable payments and a fixed maturity, which a company can and intends to hold until maturity. The Group has no assets in this category.

- Loans and receivables: these are non-derivative financial assets with fixed or determinable payments, which are not listed on an active market. Loans and other receivables are included within current assets excluding those which mature in over 12 months, which are included under non-current assets. They mainly comprise trade receivables and deposits related to Group operations.
- Available for sale financial assets: these are non-derivative instruments in this category or that cannot be allocated to any other category. This category includes equity securities in non-consolidated companies stated at fair value via shareholders' equity.

All financial assets not recorded at fair value through profit or loss are initially recorded at fair value plus transaction costs. Financial assets recorded at fair value through profit or loss are initially recorded at fair value and transaction costs are posted to expenses in the income statement. Thereafter they are valued at fair value as of each balance sheet date. Loans and other receivables are subsequently stated at amortized cost under the effective interest rate method.

The receivables are initially valued at fair value, which generally equals the amount invoiced. If they contain beneficial terms of payment for the counterparty (e.g. beneficial credit terms) and if the effect of discounting is material, these receivables are recorded at the present value of future cash flows discounted at market rates. These receivables are subsequently valued at amortized cost.

A bad debt accrual is recorded if there is a risk of non-recovery, which is assessed individually based on the aging of the financial assets.
Financial assets are derecognized if the right to receive any cash flow from these assets has expired or has been transferred and if the Group has transferred substantially all the risks and rewards of their ownership. If trade receivables are assigned with recourse against the transferor (in the form of a secured deposit or direct recourse) in the event of a payment default by the customer, such trade receivables may not be derecognized.

Gains and losses resulting from changes in the fair value of financial assets stated at fair value via income are included in income for the period when they arose.
The fair value of listed assets is based on current buy market prices. If there is no active market for a financial asset and in respect of unlisted securities, the Group determines fair value by using valuation techniques. Such valuation techniques include over the counter transactions, other similar instruments or a discounted cash flow analysis using as much market data as possible and not based wherever possible on in-house criteria.

The fair value of financial instruments was determined based on different methods as follows:
- 1. Prices quoted on an active market. When prices quoted on an active market are available, they are used as a matter of preference in determining the market value. As of December 31, 2018, assets measured at fair value consisted of cash equivalents.
- 2. In-house model with observable market criteria based on in-house valuation techniques. These techniques make use of customary actuarial methods factoring in observable market data (e.g. futures prices, yield curves, etc.). Most exchange-traded derivatives are valued using the methods commonly used by market players to value such financial instruments. As of December 31, 2018, only derivatives were valued under method 2.
- 3. In-house model with unobservable criteria. The fair values used to determine book values are a reasonable estimate of market values. As of December 31, 2018, only non-current financial assets and liabilities as described in Note 5 were valued under method 3.

4.9 Inventories

Inventories are stated at weighted average cost. If the market value is lower than cost, an impairment reserve is set aside.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash, sight bank deposits, highly liquid money-market investments with initial maturities of up to three months and non-material risk of loss and bank overdrafts.

Positive bank balances are included in "Cash and cash equivalents" under balance sheet assets, while negative balances are included in "Bank overdrafts" under balance sheet liabilities.

Net cash and cash equivalents within the statement of consolidated cash flows represents the amount of cash and cash equivalents less bank overdrafts.

4.11 Treasury shares

Company shares held by the parent company or one of its consolidated subsidiaries are accounted for as a deduction from shareholders' equity at purchase cost. Changes in the fair value of treasury shares while they are held are not accounted for. Post-tax gains and losses on sale of treasury shares are posted to shareholders' equity.

4.12 Financial liabilities

Borrowings and bank loans are first recorded at fair value, which is generally their face value less directly attributable transaction costs. Thereafter, financial liabilities are stated at cost less repayments. Any difference between the cost less repayments and the repayment value is taken to income based on the effective interest and the term of the borrowings.
Liability derivatives are also measured at fair value on an ongoing basis.
Other financial liabilities, excluding derivatives, are stated at cost less repayments.

4.13 Derivatives

The Group holds derivative financial instruments in order to reduce exposure to interest rate risks. The purpose of such instruments is to hedge against the financial risks facing the Group. Financial instruments are recorded as of the transaction date, i.e. when the hedge was contracted. However, only those that meet the hedge accounting criteria under IAS 39 on financial instruments are accounted for in the manner described below. Changes in fair value on financial instruments not qualifying as hedges are immediately posted to other financial income and expense.

All transactions qualifying as hedges are documented in relation to the hedging strategy specifying the risk hedged, the asset or liability hedged, the hedge itself, the hedging relationship and the method for measuring the effectiveness of the hedge. Hedge effectiveness is reviewed at each balance sheet date. Derivatives are initially recorded at fair value. Thereafter, fair value is updated at each balance sheet date by reference to market data. Asset and liability derivatives are shown as current or non-current depending on their maturity and that of their underlying assets and liabilities.

A cash flow hedge protects against fluctuations in cash flows arising from an asset or liability or a highly probable future transaction when such fluctuations are liable to affect earnings. At each balance sheet date, the effective portion of the hedge is posted to shareholders' equity and the ineffective portion is posted to income. When the transaction is recorded, the effective portion within shareholders' equity is transferred to income at the same time as recording the hedged asset or liability.

4.14 Employee benefits

Pursuant to the laws and practices in each country where it operates, the Group has various pension plans.

With respect to defined contribution plans, the Group has no liabilities other than to pay contributions.

With respect to defined benefit plans, the Group provides for its liability to pay defined levels of pensions to its employees.

Defined contribution plans

With respect to basic plans and other defined contribution schemes, the Group posts its contributions payable to expenses when they fall due and no accrual is recorded given that the Group has no commitment in addition to the contributions paid.

Defined benefit plans

With respect to defined benefit plans and one-off retirement compensation, the Group calculates its estimated liabilities every year in accordance with IAS 19 – Employee benefits, based on the projected unit of credit method.

This method takes into account future length of service probability, future level of pay, life expectancy and staff turnover on the basis of actuarial assumptions. The liability is discounted using an appropriate discount rate for each country where there are pension commitments. It is recorded in proportion to employees' years of service. If pensions are pre-financed by external funds, the assets held by these funds are valued at fair value as of the balance sheet date.

The cost of services rendered (which includes an increase in pension liabilities from adding one year's additional service) and interest expense on the liability reflecting the reversal of the discounting effect, are all posted to the income statement. Updates to the pension fund's investments are deducted from the foregoing expenses. All these expenses and income are recorded under underlying operating income (EBIT) except for the reversal of the discounting effect, which is included in net financial items.

4.15 Provisions and contingent liabilities

The Group books a provision when there is a legal, regulatory or contractual obligation or a constructive obligation resulting from past events that is expected to lead to an outflow of the Group's resources which represent economic benefits, and which can be reliably measured.

Provisions are discounted if the impact is deemed material and, if so, the discounting effect is posted to operating income.

Contingent liabilities represent potential obligations resulting from past events that will only be confirmed upon the occurrence of future uncertain events that are beyond the company's control. Contingent liabilities also relate to current obligations for which an outflow of resources is not probable. Apart from those arising from business combinations, contingent liabilities are disclosed in the notes and not accrued.

4.16 Revenues

Revenues are recognized when the Group transfers control of the goods or services sold to the customer, either on a specific date or on an ongoing basis.
Revenues are recognized on an ongoing basis when the customer immediately benefits from the services, as soon as they are provided by the Group.

4.17 Taxation

Corporate income tax charges or income include current tax charges (income) and deferred tax charges (income). Tax charges (income) are recorded in income unless they relate to items within shareholders' equity, in which case they are posted to shareholders' equity.

Current tax

Current tax represents the estimated amount due in respect of taxable income for the period plus or minus any adjustment for current tax in respect of prior periods.

Deferred tax

Deferred tax is determined and recorded based on the liability method in respect of all temporary differences between the book value of assets and liabilities and their tax base.

Deferred tax is not recorded for the following items: (i) taxable timing differences (deferred tax liability) arising from the initial recognition of goodwill, (ii) initial recognition of an asset or liability in a transaction that is not a business combination and affects neither taxable income nor accounting earnings and (iii) timing differences arising from equity investments in subsidiaries if it is not probable that such differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are computed at the expected tax rates applying in the periods when the asset will be realized or the liability paid, based on tax regulations that have been adopted or substantially adopted as of the balance sheet date. Deferred tax assets and liabilities are netted off if there is a legally enforceable right to offset current tax receivables and payables and if they relate to corporate income tax charged by the same tax authority for the same entity.

Deferred tax assets are only recognized if it is probable that the Group will have sufficient future taxable income against which the relevant temporary differences can be offset. Deferred tax assets are reviewed every balance sheet date and are reduced to the extent that it is no longer probable that sufficient future taxable income will be available. To assess the Group's ability to realize deferred tax assets, the following items have been taken into account:

- Forecasts of future taxable income;
- Non-recurring costs that are included in past losses;
- Historical taxable income for previous years.

With respect to investments in subsidiaries, joint ventures and equity affiliates, a deferred tax liability is booked for all taxable timing differences between the book value of the investments and their tax base, unless:

- the Group can decide the date when such differences reverse, for instance for a dividend payout; and
- it is probable that such differences will not reverse in the foreseeable future.

4.18 Earnings per share

Basic earnings per share is calculated by dividing Group net income by the weighted average number of shares of common stock in issue during the year.

Diluted earnings per share is calculated by dividing adjusted Group net income by the weighted average number of shares of common stock in issue plus any potential future diluting shares excluding any treasury shares.

5 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: South Africa, Argentina, Belgium, Brazil, China, Chile, Spain, Germany, the Netherlands, Portugal, Réunion Island, Indonesia, Morocco, Romania, Russia, Poland 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:

	12/31/2018 (12 months)			12/31/2017 (12 months)		
	France	International	Total	France	International	Total
Revenues	689,728	725,960	1,415,688	636,002	698,121	1,334,123
Inter-segment revenues	(4,127)	(1,261)	(5,388)	(3,382)	(1,471)	(4,853)
Net revenues	685,601	724,699	1,410,300	632,620	696,650	1,329,270
EBIT before amortization of customer relations	33,507	13,800	47,307	24,706	12,004	36,710
Operating income	32,970	13,050	46,020	23,989	5,878	29,867
Net cash flow from operating activities	56,409	5,263	61,672	23,551	4,854	28,405
Capital expenditure	27,673	31,065	58,738	21,482	17,058	38,540
Fixed assets	146,899	152,210	299,109	133,027	137,880	270,907
Headcount	6,107	13,409	19,516	5,645	12,240	17,885

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

6.1 Balance sheet notes

Note 1: Goodwill and intangible assets

	Goodwill	Software	Other	TOTAL
Gross:				
January 1, 2017	168,417	13,353	20,835	202,605
Acquisitions		6,077	2,556	8,633
Disposals		(2,357)	(2,224)	(4,581)
Change in consolidation	4,242			4,242
Exchange gains (losses)		(26)	(347)	(373)
Reclassification		495	(846)	(351)
December 31, 2017	172,659	17,542	19,974	210,175
Acquisitions		4,689	5,840	10,529
Disposals		(112)	(123)	(235)
Change in consolidation				-
Exchange gains (losses)		(162)	(193)	(355)
Reclassification		13,403	(12,513)	890
December 31, 2018	172,659	35,360	12,985	221,004
Cumulative amortization and impairment:				
January 1, 2017	-	10,211	3,342	13,553
Amortization for the year		2,858	3,681	6,539
Impairment				-
Disposals		(2,296)	(146)	(2,442)
Exchange gains (losses) and reclassification		(110)	1,017	907
December 31, 2017	-	10,663	7,894	18,557
Amortization for the year		2,834	4,569	7,403
Impairment				-
Disposals		(38)	(36)	(74)
Exchange gains (losses) and reclassification		(104)	(140)	(244)
Reclassification		8,306	(8,105)	201
December 31, 2018	-	21,661	4,182	25,843
Net:				
December 31, 2017	172,659	6,879	12,080	191,618
December 31, 2018	172,659	13,699	8,803	195,161

Note 2: Property, plant and equipment

	Land and buildings	Plant and equipment	Other fixed assets	Fixed assets in progress	TOTAL
Gross:					
January 1, 2017	48,940	75,487	14,632	517	169,576
Acquisitions	1,648	3,970	10,419	13,870	29,907
Disposals	(21,429)	(5,567)	(5,353)	(4,483)	(36,832)
Change in consolidation					-
Exchange gains (losses)	(1,013)	(874)	(1,021)	(8)	(2,916)
Reclassification	48	(80)	3,055	(3,472)	(449)
December 31, 2017	28,194	72,936	51,732	6,424	159,286
Acquisitions	6,515	12,449	29,245		48,209
Disposals	(1,086)	(2,975)	(1,563)	(658)	(6,282)
Change in consolidation					-
Exchange gains (losses)	(922)	(1,696)	(752)	(27)	(3,397)
Reclassification	3,436	4,142	(4,703)	278	3,153
December 31, 2018	36,137	84,856	73,959	6,017	200,969
Cumulative depreciation and impairment:					
January 1, 2017	17,175	49,327	19,647	-	86,149
Depreciation for the year	3,894	9,296	8,011		21,201
Disposals	(7,949)	(10,857)	(7,202)		(26,008)
Exchange gains (losses) and reclassification	(422)	(37)	(886)		(1,345)
December 31, 2017	12,698	47,729	19,570	-	79,997
Depreciation for the year	3,658	8,164	8,838		20,660
Disposals	(1,047)	(3,298)	(1,212)		(5,557)
Exchange gains (losses) and reclassification	422	1,034	465	-	921
December 31, 2018	15,731	53,629	27,661	-	97,021
Net:					

December 31, 2017	15,496	25,207	32,162	6,424	79,289
December 31, 2018	20,406	31,227	46,298	6,017	103,948

The net value of the plant and equipment includes the following assets held under finance leases:
December 31, 2018: €32,549,000
December 31, 2017: €21,185,000

Note 3: Goodwill and impairment tests

Impairment tests are conducted by region, for which the main assumptions for determining value in use are as follows:

CGU	2018							
	Value of related goodwill	Risk-free rate	Market premium	Beta	Country risk premium	Specific risk premium	Discount rate	Growth rate to infinity
France	90,747	0.5%	7.4%	0.95	0.7%	2.1%	9.6%	2.0%
Iberian Peninsula	65,944	0.5%	7.4%	0.96	2.2%	2.1%	11.0%	2.0%
International	15,968	0.5%	7.4%	0.95-0.96	0.0-7.6%	2.1%	8.9-15.8%	2.0%
	2017							
CGU	Value of related goodwill	Risk-free rate	Market premium	Beta	Country risk premium	Specific risk premium	Discount rate	Growth rate to infinity
France	90,747	0.8%	6.9%	0.97	0.6%	2.3%	9.3%	2.0%
Iberian Peninsula	65,944	0.8%	6.9%	0.97	2.2%	2.3%	10.8%	2.0%
International	15,968	0.8%	6.9%	0.96-0.98	0.0-7.5%	2.3%	8.8-15.3%	2.0%

All cash-generating units underwent impairment tests, which did not result in any impairment.

Discount rates used are post-tax rates applied to cash flows after tax. Using post-tax rates results in a recoverable amount identical to that which would have been obtained by applying a pre-tax rate to pre-tax cash flows.

	France	International	Total
Book value of goodwill at December 31, 2016	90,747	77,670	168,417
Change in goodwill	-	-	-
Impairment	-	-	-
Exchange gains (losses)	-	-	-
Scope	-	4,242	4,242
Book value of goodwill at December 31, 2017	90,747	81,912	172,659
Change in goodwill	-	-	-
Impairment	-	-	-
Exchange gains (losses)	-	-	-
Scope	-	-	-
Book value of goodwill at December 31, 2018	90,747	81,912	172,659

A 0.5% increase in the discount rate would not lead to any impairment being recorded.

A 0.5% decrease in the growth rate to infinity would not lead to any impairment being recorded.

A 5% decrease in the EBIT value used to calculate the terminal value would not lead to any impairment being recorded.

Note 4: Investments in equity affiliates

Key information concerning equity affiliates based on their separate financial statements is as follows:

	Equity interest (%)	Investment in equity affiliates	Shareholders' equity	Revenues	Net income
Froid Combi	25%	1,011	3,359	18,868	1,808
Dislogic	50%	218	364	2,531	73
Total		1,229			

	2018	2017
At January 1	1,037	734
Share of earnings of equity affiliates	498	430
Dividends received	(306)	(127)
Sale of investments in equity affiliates	-	-
At December 31	1,229	1,037

Note 5: Other financial assets

Other non-current financial assets

	12/31/2018	12/31/2017
Deposits, bonds and other	11,430	10,387
Investment in non-consolidated companies	439	429
Total net value	11,869	10,816

Provisions on non-current financial assets

	2018	2017
At January 1	(783)	(748)
Write-backs (increases)	(264)	(35)
At December 31	(1,047)	(783)

Other current financial assets

	12/31/2018	12/31/2017
Security deposits	1,836	4,640
Trade payables	9,725	9,691
Staff	1,254	792
Other	10,317	23,307
TOTAL	23,132	38,430

Note 6: Trade and other current receivables

	12/31/2018	12/31/2017
Trade receivables	254,275	229,308
Impairment provisions	(3,581)	(3,356)
Total trade receivables – net	250,694	225,952
Tax and social security receivables	42,602	43,115
Prepaid expenses	10,791	8,544
Total other receivables - net	53,393	51,659

Tax and social security receivables largely consist of value added tax or the equivalent for foreign subsidiaries.

The doubtful receivables impairment provision changed as follows:

	2018	2017
At January 1	(3,356)	(3,656)
Charges	(847)	(329)
Write-backs	622	629
At December 31	(3,581)	(3,356)

The impairment provisions relate to over 90 days past due receivables.

Maturity of trade receivables

	Total	Not due and not impaired	< 90 days past due	> 90 days past due
12/31/2018	254,275	197,942	48,781	7,552
12/31/2017	229,308	177,800	44,987	6,521

The value of receivables less than 90 days past due includes €38,781,000 of receivables less than 30 days past due.

There is no material risk of bad debts in respect of the due receivables.

Note 7: Net cash and cash equivalents

	12/31/2018	12/31/2017
Cash and cash equivalents	105,914	90,147
Bank overdrafts	(222)	(30)
Net cash and cash equivalents	105,692	90,117

Group cash and cash equivalents of €105,692,000 at December 31, 2018 comprise cash, sight bank deposits and money-market investments amounting to €7,242,000.

Note 8: Issued capital stock and additional paid-in capital

	Transaction type	Change in capital			Capital stock after transactions	
		Number of shares	Par value (€)	Additional paid-in capital (€)	Value (€)	Number of shares
January 1, 2017				53,840,805	2,794,941	5,589,881
	Exercise of founders' warrants/equity warrants	12,494	0.5	843,212	6,247	12,494
December 31, 2017				54,684,017	2,801,188	5,602,375
	Exercise of founders' warrants/equity warrants	40,100	0.5	2,556,968	20,050	40,100
December 31, 2018				57,240,985	2,821,238	5,642,475

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

As of December 31, 2017, there were 155,520 equity warrants outstanding granting the right to subscribe for 311,040 new shares. All equity warrants are held by Immod, which held a 29.61% equity stake in ID Logistics Group as of December 31, 2018.

The Company issued 40,000 founders' warrants (BSPCEs) in 2014, all of which had been exercised as of 2018 year-end.

The Company issued 17,000 redeemable equity warrants (BSARs) in 2014 at an exercise price of €5.88 per warrant, all of which had been exercised as of 2018 year-end.

The Company issued 13,000 performance share warrants in 2016, 4,000 of which had been canceled as of 2017 year-end and 2,500 exercised as of 2018 year-end.

The Company issued 1,957 bonus share warrants in 2016. None of these warrants had been exercised as of 2018 year-end.

The Company issued 14,735 bonus share warrants in 2018. None of these warrants had been exercised as of 2018 year-end.

No dividends have been paid out in the last three fiscal years.

Note 9: Financial liabilities

Borrowings as of December 31, 2018

	12/31/2018	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Current borrowings				
Bank loans	56,315	56,315	-	-
Finance leases	8,340	8,340	-	-
Factoring	5,034	5,034	-	-
Other borrowings	69	69	-	-
Total current borrowings	69,758	69,758	-	-
Non-current borrowings				
Bank loans	74,949	-	68,807	6,142
Finance leases	23,988	-	22,856	1,132
Total non-current borrowings	98,937	-	91,663	7,274
Total borrowings	168,695	69,758	91,663	7,274

Breakdown of borrowings by interest rate and currency	Amount	Currency	Rate
Loan	94,421	EUR	Floating
Loan	20,984	EUR	Fixed
Loan	1,761	CNY	Fixed
Loan	754	PLN	Floating
Loan	12,464	BRL	Floating
Loan	880	RUB	Fixed
Factoring	5,034	EUR	Floating
Finance leases	574	BRL	Fixed
Finance leases	327	ARS	Fixed
Finance leases	1,137	PLN	Fixed
Finance leases	4	ZAR	Fixed
Finance leases	22,186	EUR	Fixed
Finance leases	8,101	EUR	Floating
Other payables	68	EUR	Fixed
Total	168,695		

Borrowings as of December 31, 2017

	12/31/2017	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years
Current borrowings				
Bank loans	48,212	48,212	-	-
Finance leases	5,585	5,585	-	-
Factoring	5,107	5,107	-	-
Other borrowings	425	425	-	-
Total current borrowings	59,329	59,329	-	-
Non-current borrowings				
Bank loans	78,941	-	78,941	-
Finance leases	15,253	-	15,055	198
Total non-current borrowings	94,194	-	93,996	198
Total borrowings	153,523	59,329	93,996	198

Breakdown of borrowings by interest rate and currency	Amount	Currency	Rate
Loan	119,790	EUR	Floating
Loan	2,386	EUR	Fixed
Loan	710	CNY	Floating
Loan	1,086	PLN	Floating
Loan	3,181	BRL	Floating
Factoring	5,107	EUR	Floating
Finance leases	820	BRL	Floating
Finance leases	509	ARS	Fixed
Finance leases	1,416	PLN	Fixed
Finance leases	43	ZAR	Fixed

Finance leases	18,050	EUR	Fixed
Other payables	425	EUR	Fixed
Total	153,523		

Borrowings changed as follows:

	12/31/2017	New borrowings	Repayments	Scope	Exchange differences	12/31/2018
Bank loans	127,153	32,868	(28,195)	-	(562)	131,264
Finance leases	20,838	23,866	(12,009)	-	(366)	32,329
Factoring	5,107	5,034	(5,107)	-	-	5,034
Other borrowings	425	-	(358)	-	1	68
Total	153,523	61,768	(45,669)	-	(927)	168,695

With regard to the Logiters acquisition, in August 2016 the Group took out a bank loan initially amounting to €112 million repayable over five years.

This loan is subject to the following bank covenant at December 31, 2018:

Ratio	Definition	Calculation	Limit
Leverage	Net borrowings over underlying EBITDA	0.9	< 2.5

This ratio was in compliance at December 31, 2018.

Note 10: Provisions

	Social security and tax risks	Operating risks	Employee benefits	Total
January 1, 2017	4,990	7,420	20,630	33,040
Charges	3,157	3,129	474	6,760
Write-backs used	(3,593)	(6,415)	(806)	(10,814)
Write-backs not used	(492)	(127)		(619)
Other (e.g. consolidation, currency etc.)	94	1,798		1,892
December 31, 2017	4,156	5,805	20,298	30,259
Charges	4,861	1,968	745	7,574
Write-backs used	(2,723)	(3,570)	(636)	(6,929)
Write-backs not used	-	(786)		(786)
Other (e.g. consolidation, currency etc.)	(94)	(9)		(103)
December 31, 2018	6,200	3,408	20,407	30,015
Of which current provisions	6,200	3,408	-	9,608
Of which non-current provisions	-	-	20,407	20,407

The provisions for operating risks primarily relate to disputes with customers, lessors etc. and future contract losses.

Note 11: Deferred tax

	12/31/2018	12/31/2017
Deferred tax assets	9,199	12,285
Deferred tax liabilities	(30)	(11)
Net deferred tax	9,169	12,274

	12/31/2018			12/31/2017		
	Deferred tax assets	Deferred tax liabilities	Total	Deferred tax assets	Deferred tax liabilities	Total
Property, plant and equipment and finance leases	1,170	(3,828)	(2,658)	1,130	(4,527)	(3,397)
Provisions/employee benefits	9,552	-	9,552	10,380	-	10,380
Tax losses carried forward	2,405	-	2,405	4,435	-	4,435
Other items	136	(266)	(130)	1,103	(247)	856
Offsets	(4,064)	4,064	-	(4,763)	4,763	-
Total	9,199	(30)	9,169	12,285	(11)	12,274

Deferred tax changed as follows:

	Property, plant and equipment and finance leases	Provisions and employee benefits	Tax losses carried forward	Other items	Total
Deferred tax as of January 1, 2017	(6,974)	8,708	7,218	62	9,014
Amounts posted to income	3,604	1,677	(2,024)	678	3,935
Amounts posted to shareholders' equity	(4)	(730)	(25)	263	(496)
Foreign exchange gains or losses, changes in consolidation	(23)	725	(734)	(147)	(179)
Deferred tax as of December 31, 2017	(3,397)	10,380	4,435	856	12,274
Amounts posted to income	748	(306)	(2,024)	(1,088)	(2,670)
Amounts posted to shareholders' equity	14	(465)	-	458	7

Foreign exchange gains or losses, changes in consolidation	(23)	(57)	(6)	(356)	(442)
Deferred tax as of December 31, 2018	(2,658)	9,552	2,405	(130)	9,169

The deferred tax assets arising from unrelieved tax losses were based on future taxable income calculated over a reasonable time frame.

The amounts of the Group's unrelieved tax losses, for which no deferred tax has been recognized to date, are as follows:

Balance sheet date	Losses	Unrecognized deferred tax
December 31, 2018	114,357	33,671
December 31, 2017	125,687	38,949

Timing differences from equity affiliates and joint ventures are not material.

Note 12: Trade and other payables

	12/31/2018	12/31/2017
Trade payables	207,616	199,010
Tax and social security payables	147,201	137,056
Advances and payments on account received	3,595	8,127
Other current payables	3,461	3,896
Deferred income	4,116	7,171
Total other payables	158,373	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.

Note 13: Derivatives and risk management

The Group's principal financial liabilities consist of bank loans and overdrafts, finance lease liabilities, factoring liabilities and trade payables.

Furthermore, the Group holds financial assets such as trade receivables, security deposits, endorsements and available cash. These arise from the Group's operations.

The table below specifies the book value and the fair value of the financial instruments recorded in the consolidated balance sheet.

12/31/2018	Fair value via shareholders' equity	Loans and other receivables at amortized cost	Financial liabilities at cost less repayments	Finance leases	Derivatives	Closing book value	Fair value
Non-current financial assets	439	11,430	-	-	-	11,869	11,869
Trade receivables	-	250,694	-	-	-	250,694	250,694
Other receivables *	-	42,602	-	-	-	42,602	42,602
Current financial assets	-	23,132	-	-	-	23,132	23,132
Cash and cash equivalents	-	105,914	-	-	-	105,914	105,914
Total financial assets	439	433,772	-	-	-	434,211	434,211
Borrowings	-	-	136,367	32,328	-	168,695	168,695
Trade payables	-	-	207,616	-	-	207,616	207,616
Other payables	-	-	3,461	-	-	3,461	3,461
Liability derivatives	-	-	-	-	-	-	-
Bank overdrafts	-	-	222	-	-	222	222
Total financial liabilities	-	-	347,666	32,328	-	379,994	381,414

12/31/2017	Fair value via shareholders' equity	Loans and other receivables at amortized cost	Financial liabilities at cost less repayments	Finance leases	Derivatives	Closing book value	Fair value
Non-current financial assets	429	10,387	-	-	-	10,816	10,816
Trade receivables	-	225,952	-	-	-	225,952	225,952
Other receivables *	-	39,330	-	-	-	39,330	39,330
Current financial assets	-	38,430	-	-	-	38,430	38,430
Cash and cash equivalents	-	90,147	-	-	-	90,147	90,147
Total financial assets	429	404,246	-	-	-	404,675	404,675
Borrowings	-	-	132,685	20,838	-	153,523	153,523
Trade payables	-	-	199,010	-	-	199,010	199,010
Other payables	-	-	3,896	-	-	3,896	3,896
Liability derivatives	-	-	-	-	-	-	-
Bank overdrafts	-	-	30	-	-	30	30
Total financial liabilities	-	-	335,621	20,838	-	356,459	356,459

** Tax and social security receivables described under Note 6*

The fair value of the current assets and liabilities is close to the book value given the very low impact of discounting and credit risk.
Group management considers that the carrying amount of the non-current financial assets represents a reasonable approximation of their fair value. Group management considers that the carrying amount of the non-current financial liabilities, excluding bank loans, represents a reasonable approximation of their fair value.
Bank loans mainly consist of loans at floating interest rates and finance lease liabilities. The fair value of floating rate loans approximately equals their net book value. The net book value of non-current payables equals the discounted present value of the minimum amounts payable. Group management considers that this value represents a reasonable approximation of their fair value.

Management of financial risks

The main risks of the Group's financial instruments are interest rate, exchange rate and liquidity risks.

Interest rate risk

Loan contracts are approved by the Group finance department and are predominantly contracted by the French legal entities.

As of December 31, 2018, 62% of borrowings were contracted at floating rates and 38% at fixed rates. A 1% increase in average interest rates would result in an additional €0.8 million interest expense within net financial items.

The maturity of borrowings is detailed under Note 9. Trade and other payables represent current operating liabilities and largely fall due in less than one year.

Exchange rate risk

The Group regularly revalues its exposure to exchange rate risk. As of December 31, 2018, no specific hedge was taken out in respect of amounts denominated in currencies other than euros. The total value of foreign currency assets and liabilities as of December 31, 2018 is broken down as follows:

Foreign currency amount	TWD	ZAR	BRL	PLN	ARS	Other	Total
Assets excluding goodwill	11,030	10,602	32,718	13,990	7,937	24,541	100,818
Liabilities	7,525	6,678	24,207	10,440	4,640	12,610	66,100
Net balance before hedging	3,505	3,924	8,511	3,550	3,297	11,931	34,718
Hedging	-	-	-	-	-	-	-
Net balance after hedging	3,505	3,924	8,511	3,550	3,297	11,931	34,718

Liquidity risk

The Group is financed principally from available cash, factoring, bank overdrafts, finance leases and a syndicated banking loan.

Based on prevailing exchange rates and interest rates as of December 31, 2018, as well as on the contractual loan repayment schedules, cash flows related to financial liabilities were as follows:

		Due in less than 1 year			Due in 1 to 5 years			Due in more than 5 years		
12/31/2018	Book value	Fixed rate interest expense	Floating rate interest expense	Repayment	Fixed rate interest expense	Floating rate interest expense	Repayment	Fixed rate interest expense	Floating rate interest expense	Repayment
Bank overdrafts	222	-	-	222	-	-	-	-	-	-
Loans	131,264	262	1,361	56,315	467	619	68,807	222	-	6,142
Finance leases	32,328	274	116	8,340	302	183	22,856	8	-	1,132
Factoring	5,034	-	4	5,034	-	-	-	-	-	-
Other liabilities	69	-	-	69	-	-	-	-	-	-

Borrowings due in less than one year have the following maturities:

	Due in less than 1 month	Due in 1 to 3 months	Due in more than 3 months	Total
Bank overdrafts	222	-	-	222
Loans	13,112	2,592	40,611	56,315
Finance leases	667	2,015	5,658	8,340
Factoring	5,034	-	-	5,034
Other liabilities	69	-	-	69

	12/31/2018	Amount drawn	Amount not drawn
Credit lines available			
Finance lease liabilities	41,000	28,090	12,910
Borrowings	42,500	20,000	22,500

The Group regularly revalues its exposure to liquidity risk. As of December 31, 2018, management believes the Group can meet its future liabilities as they fall due.

Note 14: Financial instruments

As stated under Note 9, a portion of the Group's borrowings is contracted at floating rates primarily based on EURIBOR 3 months. In order to limit exposure to an increase in rates, the Group has contracted interest rate hedging instruments.

In 2017 the Group entered into an interest rate cap contract for a nominal amount of €53,200,000.

Financial expenses include changes in the fair value of the interest rate cap in respect of its non-effective portion.

The fair value of the interest rate swaps is recognized in assets with a matching deduction to shareholders' equity corresponding to the amount net of tax, pursuant to IAS 39.

The impact of these gains and losses is described in the table below:

		Recorded fair value		Posted to	
	Notional value	Assets	Liabilities	Profit or loss	Shareholders' equity
Interest rate swap	-	-	-	-	-
Interest rate cap	50,400	7	-	7	-
December 31, 2017		7	-	7	-
Interest rate swap	-	-	-	-	-
Interest rate cap	37,800	-	-	(7)	-
December 31, 2018		-	-	(7)	-

Note 15: Employee benefits

15a) Pensions

Assumptions applied

The principal assumptions used for actuarial valuations of the plans are as follows:

France	12/31/2018	12/31/2017
Discount rate	1.63%	1.45%
Annual wage increases	2.00%	2.00%
Social security charge rate	45%	45%
International	12/31/2018	12/31/2017
Discount rate	1.96%-2.00%	1.89%-1.90%
Annual wage increases	2.00-2.50%	2.00-2.50%
Annual pensions increase	1.50-2.00%	1.50-2.00%

The discount rates were based on the yield on AA rated corporate bonds in the relevant countries as of the balance sheet date. The recorded liabilities have maturities similar to those of the underlying commitments.

The mortality tables used for the calculated values are in line with current legislation and statistics published in the various countries involved.

Accrued gross liability

	France	International	Total
January 1, 2018	9,745	37,188	46,933
Amount paid	(290)	67	(223)
Recognized expenses	1,175	1,280	2,455
Actuarial gains and losses	(803)	(1,424)	(2,227)
Change in consolidation		-	-
December 31, 2018	9,827	37,111	46,938

Accrued net liability

Amounts recorded in respect of employee benefits are as follows:

	France	International	Total
Actuarial liability	9,827	37,111	46,938
Value of plan assets	(608)	(25,923)	(26,531)
Net balance sheet liability	9,219	11,188	20,407

The Group's recognized net liability changed as follows:

	France	International	Total
January 1, 2018	9,143	11,155	20,298
Amount paid	(290)	(346)	(636)
Recognized expenses	1,169	861	2,030
Actuarial gains and losses	(803)	(482)	(1,285)
Change in consolidation	-	-	-
December 31, 2018	9,219	11,188	20,407

The plan assets changed as follows:

	France	International	Total
January 1, 2018	(602)	(26,033)	(26,635)
Return on plan assets	(6)	(489)	(495)
Employer contribution	-	(346)	(346)
Employee contribution	-	(175)	(175)
Payment of benefits	-	178	178
Actuarial gains and losses	-	942	942
Other items	-	-	-
Change in consolidation	-	-	-
December 31, 2018	(608)	(25,923)	(26,531)

These assets, which include no Company shares or Group assets, are broken down as follows:

	France	International	Total
Equities	-	-	-
Bonds	-	-	-
Insurance policies	608	25,923	26,531
Other	-	-	-
Total	608	25,923	26,531

Income statement expense

The 2018 expense can be broken down as follows:

	France	International	Total
Service cost	1,092	588	1,680
Net interest expense	77	203	280
Administrative costs	-	70	70
December 31, 2018	1,169	861	2,030

Actuarial gains and losses on the value of the plan assets and liabilities are broken down as follows:

	France	International	Total
Demographic assumptions	-	(356)	(356)
Financial assumptions	(803)	(814)	(1,617)
Experience gains or losses on liability	-	(254)	(254)
Experience gains or losses on plan assets	-	942	942
Actuarial gains (losses)	(803)	(482)	(1,285)

The sensitivity of the present value of the liability to the discount rate is as follows:

	Annual discount rate		
	(-50 basis points)	Base discount rate	(+50 basis points)
Present value of the liability	52,007	46,938	42,579

15 b) Share-based pay

	Founders' warrants (BSPCE)	Redeemable equity warrants (BSAR)
General meeting date	3/19/2014	3/19/2014
Board of Directors meeting date	3/25/2014	8/27/2014
Maximum number of shares that may be subscribed or purchased	A: 20,000 B: 20,000	17,000
Corporate officers		
Top ten employee beneficiaries	40,000	17,000
Earliest date for exercising warrants	A: 3/25/2015 B: 3/25/2017	8/27/2014
Expiry date	A: 3/25/2019 B: 3/25/2019	8/27/2019
Subscription price	68.49	68.53
Warrants or options issued	40,000	17,000
Warrants exercised in 2015	3,000	-
Warrants exercised in 2016	4,000	-
Warrants exercised in 2017	9,000	3,400
Warrants exercised in 2018	24,000	13,600
Warrants or options outstanding at 12/31/2018	-	-

The cost of the plans is based on binomial-coefficient algorithms less the gross annual expense.

The calculation factors included are the exercise price, term of the option, non-exercise period, retention period, conditions for obligatory amendments, share value, dividend payout, risk-free rate until warrant maturity, and volatility and margin of the share loan.

	Founders' warrants (BSPCE)	Redeemable equity warrants (BSAR)
Board of Directors meeting date	3/25/2014	8/27/2014
Dividend payout	0.00%	0.00%
Volatility rate	22.00%	21.75%
Exercise price	68.49	68.53
Fair value	A: 7.61 B: 5.33	5.88

	Performance shares	Performance shares	Bonus shares	Bonus shares	Bonus shares
General meeting date	5/25/2016	5/25/2016	5/25/2016	5/25/2016	5/25/2016
Board of Directors meeting date	5/25/2016	5/25/2016	12/9/2016	1/17/2018	5/23/2018
Maximum number of shares that may be subscribed or purchased	8,000	5,000	1,957	1,746	12,989
Corporate officers					
Top ten employee beneficiaries	8,000	5,000	1,957	1,746	12,989
Earliest date for exercising warrants	5/25/2016	5/25/2016	12/9/2016	12/9/2016	5/23/2018
Expiry date	5/25/2021	A: 5/25/2018 B: 5/25/2020	12/9/2019	A: 1/17/2019 B: 1/17/2021	5/23/2021
Subscription price					
Warrants or options issued	8,000	5,000	1,957	1,746	12,989
Warrants or options canceled in 2016	4,000	-	-	-	-
Warrants exercised in 2017	-	-	-	-	-
Warrants exercised in 2018	-	2,500	-	-	-
Warrants or options outstanding at 12/31/2018	4,000	2,500	1,957	1,746	12,989

6.2 Income statement notes

Note 16: Other underlying income and expenses

	2018	2017
Other underlying income	4,162	4,549
Other underlying expenses	(2,961)	(1,855)
Other underlying income and expenses	1,201	2,694

Note 17: Provision charges and write-backs

	2018	2017
Provision write-backs	9,553	12,451
Provision charges	(7,841)	(7,785)
Provision charges and write-backs	1,712	4,666

Note 18: Depreciation/impairment

	2018	2017
Depreciation/impairment	(26,776)	(26,328)
Provision write-backs	-	-
Net depreciation/impairment	(26,776)	(26,328)

Note 19: Non-recurring income (expenses)

Non-recurring income and expenses are broken down as follows:

	2018	2017
Asset disposals	-	-
Restructuring costs	-	(5,556)
Costs on acquisitions of equity investments	-	-
Total non-recurring expenses	-	(5,556)

The €5,556,000 of 2017 restructuring costs were staff costs incurred by the Group in conjunction with the integration of Logiter's business.

Note 20: Net financial items

	2018	2017
Interest and related financial income	1,001	674
Total financial income	1,001	674

Interest and related expenses	(4,558)	(5,374)
Discounting of balance sheet accounts	(525)	(369)
Other financial expenses	(1,154)	(556)
Total financial expenses	(6,237)	(6,299)
Total	(5,236)	(5,625)

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

The net cost of debt amounted to €3,557,000 in 2018, compared to €4,700,000 in 2017.

Note 21: Corporate income tax

	2018	2017
Current tax charge	3,946	5,250
Net deferred tax charge/(income)	2,670	(3,935)
Tax on business value added (CVAE)	5,970	5,017
Total tax	12,586	6,332

	2018	2017
Total consolidated net income	28,696	18,340
Tax excluding CVAE	6,616	1,315
Earnings in equity affiliates	(498)	(430)
Income before tax	34,814	19,225
Statutory tax rate	34.43%	34.43%
Theoretical tax	11,986	6,619
Permanent differences	(1,753)	(3,474)
Losses for the year not recognized	3,137	3,323
Use and recognition of prior losses not recognized	(5,622)	(4,163)
Other taxes	436	(175)
Differences in tax rates	(1,568)	(815)
Tax excluding CVAE	6,616	1,315
Effective tax rate excl. CVAE	19.00%	6.84%
CVAE	5,970	5,017
Tax including CVAE	12,586	6,332
Effective tax rate	30.86%	26.12%

Note 22: Average number of shares

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

(no.)	2018	2017
Average number of shares in issue	5,631,183	5,595,247
Average number of treasury shares	(5,743)	(6,527)
Average number of shares	5,625,440	5,588,720
Equity warrants	339,232	335,597
Founders' warrants	-	24,000
Average number of diluted shares	5,964,672	5,948,317

6.3 Other information

Note 23: Change in working capital

	2018	2017
Change in inventories	(97)	(34)
Change in trade receivables	(30,749)	(5,941)
Change in trade payables	12,226	11,921
Change in operating working capital	(18,620)	5,946
Change in other receivables	15,052	(3,143)
Change in other payables	1,845	(15,604)
Change in non-operating working capital	16,897	(18,747)
Change in working capital	(1,723)	(12,801)

Note 24: Headcount

The number of employees under open-ended employment contracts at December 31 was as follows:

(no.)	12/31/2018	12/31/2017
Managers	876	795
Non-managers	18,640	17,090
Total	19,516	17,885

Note 25: 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)	
			2018	2017	2018	2017

Comète	Joint director	Services provided	(731)	(630)	(395)	(290)
Financière ID	Joint shareholder	Real estate transactions - Services provided	(1,646)	16,045	-	17,675
Logistriel	Joint shareholder	Services provided	1,307	-	1,581	-

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 26: Directors' remuneration

The Chairman of the Board of Directors does not receive any remuneration from the Group. He receives remuneration from Comète, a company in which he holds a 96.61% equity stake (the remainder being held by his wife and children) and which has signed service 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 25.

Gross remuneration of other Board members

	2018	2017
Expense type		
Total gross remuneration	926	794
Post-employment benefits	-	-
Other long-term benefits	-	-
Severance pay	-	-

Note 27: Commitments and contingencies

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

	12/31/2018	12/31/2017
Commitments given		
Real estate leases	286,153	225,208
Plant and equipment leases	81,903	60,402
Parent company guarantees *	21,033	10,652
Borrowings subject to covenants	75,600	100,800
Commitments received		
Bank guarantees	25,945	22,837

** 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:

€000	Due in less than 1 year	Due in 1 to 5 years	Due in more than 5 years	Total
December 31, 2018				
Real estate leases	88,423	176,418	21,312	286,153
Plant and equipment leases	31,852	47,381	2,670	81,903
December 31, 2017				
Real estate leases	75,868	132,116	17,224	225,208
Plant and equipment leases	23,218	32,868	4,316	60,402

Note 28: Post balance sheet events

None

Note 29: List of consolidated subsidiaries, joint ventures and equity affiliates

	Country	Equity interest (%)		Control (%)		Cons. method	
		2018	2017	2018	2017	2018	2017
ID Logistics Group SA	France					Parent company	Parent company
Ficopar	France	95%	95%	95%	95%	FC	FC
ID Logistics	France	95%	95%	100%	100%	FC	FC
ID Logistics France	France	95%	95%	100%	100%	FC	FC
ID Logistics France 3	France	95%	95%	100%	100%	FC	FC
ID Logistics France 4	France	48%	48%	50%	50%	FC	FC
ID Logistics Brebières	France	95%	95%	100%	100%	FC	FC
ID Logistics France VIII	France	95%	95%	100%	100%	FC	FC
ID Logistics France 9	France		95%		100%		FC
ID Logistics France 10	France	95%	95%	100%	100%	FC	FC
ID Logistics France 13	France	95%	95%	100%	100%	FC	FC

ID Logistics France 14	France	95%	95%	100%	100%	FC	FC
ID Logistics France 15	France	95%	95%	100%	100%	FC	FC
ID Logistics France 16	France	95%		100%		FC	
ID Logistics France 17	France	95%		100%		FC	
ID Logistics Training	France	95%	95%	100%	100%	FC	FC
FC Logistique R&D	France	95%	95%	100%	100%	FC	FC
La Flèche	France	95%	95%	100%	100%	FC	FC
ID Projets	France	95%	95%	100%	100%	FC	FC
Froid Combi	France	24%	24%	25%	25%	EM	EM
Interflèche	France	95%	95%	100%	100%	FC	FC
ID Logistics Champagne	France	95%	95%	100%	100%	FC	FC
SMTM	France		82%		88%		FC
SIL	France		73%		80%		FC
AFC	France		84%		88%		FC
Timler	France	95%	95%	100%	100%	FC	FC
Cie Financière de Logistique	France	95%	95%	100%	100%	FC	FC
CEPL Holding et Cie	France	95%	95%	100%	100%	FC	FC
CEPL	France	95%	95%	100%	100%	FC	FC
ID Logistics Santé	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 2	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 3	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 4	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 5	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 6	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 7	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 8	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 9	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 10	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 11	France	95%	95%	100%	100%	FC	FC
ID Logistics Selective 12	France	95%		100%		FC	
ID Logistics Selective 13	France	95%		100%		FC	
CEPL Les Herbiers	France	95%	95%	100%	100%	FC	FC
CEPL Moreuil	France	95%	95%	100%	100%	FC	FC
CEPL Saint Ouen L'Aumone	France	95%	95%	100%	100%	FC	FC
CEPL Ozoir	France	95%	95%	100%	100%	FC	FC
CEPL Alsace	France	95%	95%	100%	100%	FC	FC
CEPL Beauvais	France	95%	95%	100%	100%	FC	FC
CEPL Beville	France	95%	95%	100%	100%	FC	FC
CEPL Chateauroux	France	95%	95%	100%	100%	FC	FC
CEPL Eragny	France	95%	95%	100%	100%	FC	FC
CEPL Fleury	France	95%	95%	100%	100%	FC	FC
SCI Alsace	France	95%	95%	100%	100%	FC	FC
ID Logistics GmbH	Germany	95%	95%	100%	100%	FC	FC
ID Logistics Weilbach	Germany	95%	95%	100%	100%	FC	FC
ID Logistics Gottingen	Germany	95%		100%		FC	
CEPL Germesheim	Germany	95%	95%	100%	100%	FC	FC
ID Logistics Salzgitter	Germany	95%	95%	100%	100%	FC	FC
ID Logistics Belgium	Belgium	95%	95%	100%	100%	FC	FC
CEPL Iberia	Spain	95%	95%	100%	100%	FC	FC
CEPL Barcelona	Spain	95%	95%	100%	100%	FC	FC
CEPL La Roca	Spain	95%	95%	100%	100%	FC	FC
Group Logistics - IDL España	Spain	95%	95%	100%	100%	FC	FC
Prestalid	Spain	95%	95%	100%	100%	FC	FC
Logiters	Spain	95%	95%	100%	100%	FC	FC
ID Logistics Benelux	Netherlands	95%	95%	100%	100%	FC	FC
ID Logistics Tilburg	Netherlands	95%	95%	100%	100%	FC	FC
ID Logistics Taiwan	Taiwan	57%	57%	60%	60%	FC	FC
ID Logistica Do Brasil	Brazil	95%	95%	100%	100%	FC	FC
ID Armazens Gerais	Brazil	95%	95%	100%	100%	FC	FC
ID Transportes	Brazil	95%	95%	100%	100%	FC	FC
Proserv	Brazil	95%		100%		FC	
ID Logistics Océan Indien	DOM	95%	95%	100%	100%	FC	FC
Dislogic	DOM	24%	24%	50%	50%	EM	EM
ID Logistics Mayotte	DOM	95%	95%	100%	100%	FC	FC
ID Logistics Maroc	Morocco	57%	57%	60%	60%	FC	FC
ID Log. China Holding Hong Kong	China	95%	95%	100%	100%	FC	FC
ID Logistics Nanjing	China	95%	95%	100%	100%	FC	FC
ID Log. Nanjing Business Consult.	China	95%	95%	100%	100%	FC	FC
ID Consulting Shanghai	China	95%	95%	100%	100%	FC	FC
Pt. Inti Dinamika Logitama Ind.	Indonesia	95%	95%	100%	100%	FC	FC
Pt. International Dimension Log.	Indonesia	95%	95%	100%	100%	FC	FC
Pt. Inti Dinamika Logistics Ind.	Indonesia	95%	95%	100%	100%	FC	FC
ID Logistics Polska	Poland	95%	95%	100%	100%	FC	FC
Logiters Portugal	Portugal	95%	95%	100%	100%	FC	FC
ID Logistics A	Argentina	81%	81%	85%	85%	FC	FC
ID Supply Chain	Argentina	57%	57%	60%	60%	FC	FC
IDL Bucarest Srl	Romania	95%	95%	100%	100%	FC	FC
ID Logistics Chile	Chile	95%		100%		FC	
ID Logistics Vostok	Russia		95%		100%		FC
ID Logistics Rus	Russia	95%	95%	100%	100%	FC	FC
IDL Supply Chain South Africa	South Africa	95%	95%	100%	100%	FC	FC
IDL Fresh South Africa	South Africa	95%	95%	100%	100%	FC	FC

FC: Full consolidation EM: Equity method DOM – French overseas territory

4.8.2 Statutory auditors' report on the 2018 Group consolidated financial statements

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of ID Logistics Group,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of ID Logistics Group for the year ended December 31, 2018.
In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2018, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.
The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework
We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence
We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters
In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.
These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition

Risk identified and main estimates
As at December 31, 2018, Group revenues amounted to €1.4 billion. A large majority of Group's revenues comes from domestic contractual logistics services, i.e. mostly land logistics, and wholesale preparation logistics services, in France and internationally. Revenues from contracts are recognized as described in Note 4.16 to the consolidated financial statements. Revenues are recognized depending on contract terms (i.e. once the service is completed). We deemed revenue recognition to be a key audit matter given the materiality of this indicator in the Group's financial statements, the diversity and number of existing contracts between the Group and its customers and because revenues represent a key performance indicator in the Group's financial reporting.
For the year beginning January 1, 2018, IFRS 15 introduced new revenue recognition criteria.
The Group set up a draft structure to identify divergences with previous accounting methods. Accounting impacts were measured by the Group based on analyses of the contractual or general clauses applicable to its logistics agreements.
The divergences and impacts on the Group's key figures from January 1 to December 31, 2018 are presented in Note 2.2.1 to the consolidated financial statements.

Our audit approach
Our audit response to revenue recognition includes the review of revenue recognition accounting procedures and substantive tests on recognized revenues.

As part of our internal control procedures, we examined the processes implemented by the Group (contractualization, invoicing and recognition of revenue) and the key controls addressing risks of material misstatement for revenue recognition.

Our controls also consisted in:
- reviewing contractual clauses for a sample of new contracts for the year and testing consistency with the invoicing process;
- corroborating changes in revenue site by site based on our knowledge of the business and interviews with management;
- obtaining external confirmation from a selection of customers;

- and testing, on a sampling basis, the consistency of logistics service invoicing with the accounting records and cash collection;
- assessing the compliance of the new revenue recognition principles and methods described in the notes with IFRS 15;
- analyzing the quantified impacts of the adoption of IFRS 15 on 2018 revenue and earnings, as shown in the notes to the consolidated financial statements. To this end, we:
  - selected agreements according to their financial impact and risk profile;
  - assessed for these agreements the Group's analyses that led it to conclude on the transfer of control over time or at completion and, where necessary, the identification of the various performance obligations. Finally, we assessed the appropriateness of the qualitative and quantified information provided in Note 2.2.1 to the consolidated financial statements.

Goodwill assessment

Risk identified and main estimates
As part of its development, the Group has made specific external acquisitions generating goodwill. Such goodwill, corresponding to the difference between the acquisition price and the fair value of assets and liabilities acquired, is described in Notes 4.7, 6.1.1 and 6.1.3 to the consolidated financial statements. Goodwill is allocated to cash generating units (CGU) at the level of the geographical area where the acquired companies operate.
As of December 31, 2018, goodwill amounted to €172.7 million and represented 23% of assets in the consolidated financial statements
Pursuant to prevailing accounting principles, the ID Logistics Group carries out impairment tests annually once an indication of impairment is identified. An impairment loss is recognized in the balance sheet when the net carrying amount of these assets exceeds their recoverable amount.
The recoverable amounts of goodwill are assessed with reference to the value in use calculated using the discounted future net cash flows of the group of assets making up the geographical area, as described in Notes 4.7, 6.1.1 and 6.1.3 to the consolidated financial statements.
The valuation of goodwill is a key audit matter considering its material amount and the significant estimates and judgements required by Management that are used to determine the various assumptions adopted such as the revenue growth rate and annual cash flow discount rates.

Our audit approach
We have examined the compliance of the methodology applied by the Group with applicable accounting standards.
We have also carried out a critical review of the implementation of this methodology and tested in particular:
- the completeness of the assets included in the carrying amount of the CGU related to each tested geographical area and the consistency in the determination of this value with the way projected cash flows have been calculated for the value in use;
- the reasonableness of cash flow projections in connection with the economic and financial context in which the geographical area operates and the reliability of the process adopted to prepare estimates by examining the reasons for differences between projections and realizations;
- the consistency of the growth rate used for projected flows with market analyses and those used by the main players;
- with the assistance of our valuation experts, the calculation of the discount rate applied to estimated expected cash flows in geographical areas. We verified that the different discount parameters comprising the weighted average cost of capital of each CGU (debt ratio, risk free rate, market premium, economic beta, specific risk premium and cost of debt) could be used to get close to the return rate that market players would expect for such business at that time;
- the sensitivity analysis of the value in use to a change in the main assumptions, as carried out by the management.

Finally, we verified that Notes 4.7, 6.1.1 and 6.1.3 provide appropriate disclosure.

Specific verifications
As required by law, we also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.
We have no comment on the fair presentation of said information and its consistency with the consolidated financial statements.
We hereby attest that the consolidated non-financial performance statement required by Article L. 225-102-1 of the French Commercial Code is included in the Group's management report. Pursuant to Article L. 823-10 of this Code, we have not verified the fair presentation or consistency of the information contained in this statement with the consolidated financial statements. A report will be issued on this information by an independent third-party.

Report on Other Legal and Regulatory Requirements
Appointment of the Statutory Auditors
We were appointed as statutory auditors of ID LOGISTICS GROUP by the Shareholders' Meeting held on May 23, 2018 for Grant Thornton and on June 30, 2002 for Deloitte & Associés.

As at December 31, 2018, Grant Thornton and Deloitte & Associés were in the 1st year and 17th year of total uninterrupted engagement, respectively, which are the 1st and 7th year since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures. The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L.823-10-1 of the French Commercial Code, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. He also:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. He is responsible for the direction, supervision and performance of the audit of the consolidated financial statements as well as for the audit opinion.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris-la-Défense and Lyon, April 15, 2019
The Statutory Auditors

Grant Thornton

Françoise MECHIN

Deloitte & Associés

Benjamin HAZIZA Joël ASSAYAH

4.9 REVIEW OF RESULTS AND FINANCIAL POSITION - PARENT COMPANY FINANCIAL STATEMENTS

4.9.1 Comparison of fiscal years 2018 and 2017

- **Significant events and changes to the bylaws**

In 2018, the Company transferred its head office to 55 Chemin des Engranauds, Orgon, 13660, France. There have been no other material events within ID Logistics Group SA since December 31, 2017.

- **Business summary**

(€m)	**2018**	**2017**
Revenues	6.8	5.5
EBIT	0.3	0.1
Net financial items	(0.1)	(0.0)
Net income	0.2	0.1
Non-current assets	47.2	47.2
Working capital	19.1	16.1
Cash and cash equivalents	0.0	0.2
Shareholders' equity	66.3	63.5

ID Logistics Group SA is the parent company of the ID Logistics group and employs 11 people. ID Logistics Group SA operates as a holding company and recharges services provided to its direct and indirect subsidiaries, mainly in France. It has no commercial dealings outside the Group.

Revenues comprise invoices passed on to Group subsidiaries, which increased in view of the higher costs incurred by ID Logistics Group on their behalf. Expenses consist of fees and staff costs. They also increased compared to 2017.

Financial income and expenses comprise the results of the ID Logistics Group share liquidity contract and interest income on shareholder loans to subsidiaries.

Non-current assets largely consist of the Company's investment in Ficopar, the holding company for the ID Logistics group's operational activities in France and internationally. Working capital consists of intercompany receivables and payables with various ID Logistics group subsidiaries and a non-material amount of services trade payables.

- **Equity investments**

The Company did not make any equity investments during 2018.

- **Results of subsidiaries**

ID Logistics Group SA holds a 94.99% stake in Ficopar SAS, for which the key figures for fiscal year 2018 are as follows (€000):

Capital stock	Other equity	Gross investments	Net investments	Loans receivable and advances	Endorsements and sureties	Revenues	Net income	Dividends received
17,082	28,097	44,302	44,302	14,381	-	-	5,037	-

- **Expenses not deductible for tax purposes**

In accordance with Article 223 *quater* of the French General Tax Code, it is stated that the following expenses referred to under Article 39-4 of the same code have been definitively added back to 2017 taxable income.

- Vehicle leasing: €36,100
- Vehicle taxes: €12,200

- **Information on payment terms**

In accordance with the French Commercial Code (Code de commerce), we indicate below the breakdown of suppliers and customers payment terms :

	Article D. 441 I, 1° of Commercial Code: Invoices received, unpaid and overdue at the date of closing					
	Due in 0 day (for information)	Due between 1 and 30 days	Due between 31 and 60 days	Due between 61 and 90 days	Due 91 or more days	Total (1 day or more)
(A) Overdue payment categories						
Number of invoices concerned	Not applicable					
Total amount of invoices concerned (including taxes)	*309 248*	*192 158*	*253 623*	*18 554*	*148 674*	*613 009*
Percentage of total purchases for the year (excluding taxes)	*17%*	*11%*	*14%*	*1%*	*8%*	*34%*
Percentage of sales for the year (excluding taxes)	not applicable					
(B) Invoices excluded from (A) relating to payables and receivables in dispute or not recognized						
Number of excluded invoices	*N/A*					
Total amount of excluded invoices	*N/A*					
(C) Benchmark contractual payment terms used						
Payment terms used to calculate overdue payments	*Contractual terms*					

	Article D. 441 I, 1° of Commercial Code: Invoices issued, unpaid and overdue at the date of closing

	Due in 0 day (for information)	Due between 1 and 30 days	Due between 31 and 60 days	Due between 61 and 90 days	Due 91 or more days	Total (1 day or more)
(A) Overdue payment categories						
Number of invoices concerned	Not applicable					
Total amount of invoices concerned (including taxes)	*8 219 323*	*0*	*0*	*0*	*0*	*0*
Percentage of total purchases for the year (excluding taxes)	Not applicable					
Percentage of sales for the year (excluding taxes)	*100%*	*0%*	*0%*	*0%*	*0%*	*0%*
(B) Invoices excluded from (A) relating to payables and receivables in dispute or not recognized						
Number of excluded invoices	*N/A*					
Total amount of excluded invoices	*N/A*					
(C) Benchmark contractual payment terms used						
Payment terms used to calculate overdue payments	*Contractual terms*					

- **Research and development activities**

In 2018 ID Logistics Group SA did not conduct any R&D activities that entitle it to a tax credit.

- **Human resources and environmental impact of the business**

The objective of the Group's human resources policy is to ensure that all staff attain operational excellence and adhere to the Group's corporate culture. For a number of years, ID Logistics has applied a training policy designed to focus on the induction of new staff, development of management skills, sharing and transfer of best practices and the spreading of the Group's corporate culture. ID Logistics focuses on staff mobility and internal promotion to manage staff in France and abroad.

Moreover, the Group's operations are subject to certain environmental laws and regulations. In view of its operations, the Group considers that it does not face a significant environmental risk. Nevertheless, the Group remains actively committed to an environmentally-friendly and sustainable development policy.

- **Recent developments and outlook**

In 2019, ID Logistics Group SA will continue its role as holding company of the ID Logistics group. While it may centralize certain administrative Group functions, it does not plan to conduct any business activity as such.

4.9.2 2018 parent company financial statements

BALANCE SHEET (before appropriation of earnings)

ASSETS (€000)	**12/31/2018**	**12/31/2017**
Intangible assets	1,105	1,001
Equity investments	44,302	44,302
Other fixed asset investments	1,042	1,059
Other financial assets	785	813
Total fixed assets	**47,234**	**47,175**
Trade receivables	8,219	2,200
Other receivables	15,214	17,534
Cash and cash equivalents	11	180
Prepaid expenses	3	34
Total current assets	**23,447**	**19,948**
TOTAL ASSETS	**70,681**	**67,123**
LIABILITIES AND EQUITY (€000)	**12/31/2018**	**12/31/2017**
Capital stock	2,821	2,801
Additional paid-in capital	56,550	53,993
Legal reserve	172	170
Other reserves	4,748	4,748
Retained earnings	1,801	1,742
Net income for the year	181	61
Shareholders' equity	**66,273**	**63,515**
Trade payables	1,112	1,406
Tax and social security payables	3,271	2,202
Other payables	25	-
Short-term payables	**4,408**	**3,608**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**70,681**	**67,123**

INCOME STATEMENT (€000)	**2018**	**2017**
Services revenues France	**6,849**	**5,501**
Other purchases and external charges	(2,170)	(1,116)
Staff costs	(4,196)	(4,174)
Miscellaneous taxes	(122)	(114)
Depreciation/impairment	(20)	-
Other expenses	(83)	-
Operating income	**258**	**97**

Financial income	115	23
Financial expenses	(192)	(59)
Net financial items	**(77)**	**(36)**
NET INCOME	**181**	**61**

NOTES TO THE FINANCIAL STATEMENTS

I – Accounting principles

The parent company financial statements for fiscal 2018 were prepared in accordance with the provisions of the French Commercial Code, the French Chart of Accounts as set out in ANC regulation 2014-03 of June 5, 2014, as amended by ANC regulations 2015-06 and 2016-07, and generally accepted accounting principles in France.
The financial statements are based on the following underlying conventions, in accordance with the principle of prudence:

- Going concern,
- Consistency of accounting principles between fiscal years,
- Accruals concept,

And in accordance with general principles for the preparation and presentation of annual financial statements.
The underlying method chosen for valuation of accounting items is the historical cost convention.

The main principles used for balance sheet accounts are as follows:

1) Non-current assets

Intangible assets are stated at cost. They consist of software and software licenses and are amortized over their estimated useful life.

2) Equity investments

The gross value consists of the purchase cost excluding incidental expenses.
Impairment tests on the value of equity investments are conducted every year. Under these tests, the book value of investments is compared to the Group share of the present value of future estimated cash flows. If the book value exceeds the present value of future estimated cash flows, an impairment charge for the difference is booked against the value of the investment.

3) Liquidity contract

Treasury shares and other liquidity contract assets are included under other fixed asset investments and other financial assets respectively.

The corresponding investment securities are valued pursuant to the FIFO (first in - first out) method and a provision is booked if the average stock market price over the last month of the year is less than the cost of the treasury shares.

4) Receivables and payables

Receivables and payables are recorded at face value. A bad debt provision is recorded against the value of receivables whenever difficulties in collection are anticipated. This risk is assessed on a case-by-case basis.

5) Retirement liabilities

Retirement liabilities are disclosed as off-balance sheet commitments and are not accounted for. They have been calculated based on the following assumptions:
Retirement age: 62 years
Wage growth rate: 2.00%
Discount rate: 1.63% (1.45% in 2017)
Social security charge rate: 45%

6) Consolidation

The Company consolidates all ID Logistics group companies.

II - Notes to the financial statements

Unless otherwise indicated, data in the notes is stated in thousands of euros.

1) Highlights of the year

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.

2) Intangible assets

The change in intangible assets is broken down as follows:

	1/1/2018	Acquisitions	Disposals	12/31/2018
Software	1,001	124		1,125

Total	1,001	124	-	1,125

The change in amortization of intangible assets breaks down as follows:

	1/1/2018	Charges	Write-backs	12/31/2018
Software	-	20		20
Total	-	20	-	20

3) Financial assets

The change in equity investments is broken down as follows:

	1/1/2018	Acquisitions	Disposals	12/31/2018
Equity investments	44,302	-	-	44,302
Total	44,302	-	-	44,302

Other fixed asset investments exclusively consist of treasury shares held under the liquidity contract. As of December 31, 2018, the Company held 9,040 treasury shares amounting to €1,042,000.

Other financial assets correspond to a deposit with the financial intermediary for the liquidity contract.
No impairment has been booked against other financial assets.

4) Maturity of receivables at the balance sheet date

All receivables fall due in less than one year.

5) Receivables and payables with related parties

Required related party disclosures under Article R123-199-1 of the French Commercial Code are as follows:

	12/31/2018	12/31/2017
Trade receivables	8,219	2,200
Other receivables	14,381	16,923
Total assets	22,600	19,123
Trade payables	193	693
Other payables	26	27
Total liabilities and shareholders' equity	219	720

Revenues and financial income on related party transactions amounted to €6,849,000 and €25,000 respectively.

Operating expenses with related parties amounted to €396,000.

6) Shareholders' equity and change in net assets

	12/31/2017 (before earnings appropriation)	2016 earnings appropriation	Issue of BSAs/BSPCEs	2018 net income	12/31/2018 (before earnings appropriation)
Capital stock	2,801	-	20	-	2,821
Additional paid-in capital	53,993	-	2,557	-	56,550
Legal reserve	170	2	-	-	172
Other reserves	4,748		-	-	4,748
Retained earnings	1,742	59	-	-	1,801
Net income for the year	61	(61)	-	181	181
Total assets	63,515	-	2,577	181	66,273

The Company's capital stock consists of 5,642,475 shares, each with a par value of €0.5. The ID Logistics share is listed on the Euronext regulated market in Paris, compartment B (ISIN code: FR0010929125, ticker symbol: IDL).

As of December 31, 2018, there were 155,520 equity warrants outstanding granting the right to subscribe for 311,040 new shares. A single shareholder holds all equity warrants.

The Company issued founders' warrants (BSPCE) and equity warrants with the following main terms and conditions:

	Founders' warrants (BSPCE)	Redeemable equity warrants (BSAR)
General meeting date	3/19/2014	3/19/2014
Board of Directors meeting date	3/25/2014	8/27/2014
Maximum number of shares that may be subscribed or purchased	A: 20,000 B: 20,000	17,000
Corporate officers		
Top ten employee beneficiaries	40,000	17,000
Earliest date for exercising warrants	A: 3/25/2015 B: 3/25/2017	8/27/2014
Expiry date	A: 3/25/2019 B: 3/25/2019	8/27/2019

Subscription price	68.49	68.53
Warrants or options issued	40,000	17,000
Warrants exercised in 2015	3,000	-
Warrants exercised in 2016	4,000	-
Warrants exercised in 2017	9,000	3,400
Warrants exercised in 2018	24,000	13,600
Warrants or options outstanding at 12/31/2018	-	-

	Performance shares	Performance shares	Bonus shares	Bonus shares	Bonus shares
General meeting date	5/25/2016	5/25/2016	5/25/2016	5/26/2016	5/26/2016
Board of Directors meeting date	5/25/2016	5/25/2016	12/9/2016	1/17/2018	5/23/2018
Maximum number of shares that may be subscribed or purchased	8,000	5,000	1,957	1,746	12,989
Corporate officers					
Top ten employee beneficiaries	8,000	5,000	1,957	1,746	12,989
Earliest date for exercising warrants	5/25/2016	5/25/2016	12/9/2016	12/9/2016	5/23/2018
Expiry date	5/25/2021	A: 5/25/2018 B: 5/25/2020	12/9/2019	A: 1/17/2019 B: 1/17/2021	5/23/2021
Subscription price					
Warrants or options issued	8,000	5,000	1,957	1,746	12,989
Warrants or options canceled in 2016	4,000	-	-	-	-
Warrants exercised in 2017	-	-	-	-	-
Warrants exercised in 2018	-	2,500	-	-	-
Warrants or options outstanding at 12/31/2018	4,000	2,500	1,957	1,746	12,989

7) Maturity of payables at the balance sheet date

All payables fall due in less than one year.

8) Accrued income

	12/31/2018	12/31/2017
Trade receivables	-	1,420
Other receivables	-	-
Total	-	1,420

9) Accrued expenses

	12/31/2018	12/31/2017
Trade payables	189	143
Tax and social security payables	1,520	1,540
Total	1,709	1,683

10) Prepaid expenses

	12/31/2018	12/31/2017
Operating expenses	3	34
Total	3	34

Prepaid expenses only comprise ordinary expenses whose impact on net income has been deferred to a subsequent fiscal year.

11) Revenues

Revenues of €6,849,000 correspond to services provided and invoiced to different Group entities.

12) Net financial income (expense)

	2018	2017
Gains and losses on sale of investments	(102)	(59)
Interest on loans to subsidiaries	25	23
Total	(77)	(36)

13) Non-recurring items

	12/31/2018	12/31/2017
Income from fixed asset disposals	-	2,168
Net book value of sold assets	-	(2,168)
Non-recurring items	-	-

14) Unrecorded deferred tax

The Company has unrelieved tax losses carried forward amounting to €2,321,000 representing a future corporate income tax saving of €650,000.

15) Subsidiaries and equity investments

Subsidiary	Capital stock	Other equity	% interest	Gross investments	Net investments	Loans receivable and advances	Endorsements and sureties	Revenues	Net income	Dividends received
Ficopar	17,082	28,097	95%	44,302	44,302	14,381	-	-	5,037	-
Total	17,082	28,097		44,302	44,302	14,381	-	-	5,037	-

16) Off-balance sheet commitments

Commitments given:
Parent company guarantees: €4,263,000
Commitments received:
None
Pension liabilities amounted to €159,000.

17) Directors' remuneration

Directors' fees paid in 2018 amounted to €85,000.
The directors received remuneration totaling €532,000.

18) Headcount

The average headcount was 11 people.

19) Post balance sheet events

There were no significant events between the balance sheet date and the date when the parent company financial statements were approved.

4.9.3 Statutory auditors' report on the 2018 Company financial statements

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.
This statutory auditors' report includes information required by French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders of ID Logistics Group,

Opinion

In compliance with the engagement entrusted to us by your Shareholders' Meeting, we have audited the accompanying financial statements of ID Logistics Group for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*code de déontologie*) for statutory auditors.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed above. We do not express an opinion on any components of the financial statements taken individually.

Risk identified and main estimates

Valuation of equity investments

Equity investments appearing on the balance sheet as of December 31, 2018, for a net amount of €44,302 thousand, represent one of the most significant balance sheet items. They are recorded as of their entry date at acquisition cost and impaired based on their value in use.

As indicated in Note I.2 "Equity investments" to the financial statements, the value in use is estimated by management based on their level of profitability, business forecasts and estimated expected future cash flows.

The estimate of the value in use of these securities requires management to exercise its judgment in its choice of items to be considered (cash flows, discount rate, etc.).

In this context and because of uncertainties inherent to certain items and, specifically the probability of attaining forecasts, we considered the valuation of equity investments to be a key audit matter.

Audit response

To assess the reasonableness of the estimated value in use of equity investments, based on the information communicated to us, our work mainly consisted in verifying that the estimate of this value, as determined by management, is based on an appropriate justification of the valuation method and the figures used.

Our work also consisted in:

- Obtaining the cash flow and operation forecasts of the entities concerned prepared by line management and assessing their consistency with the forecast data included in the latest strategic plans, prepared under the supervision of management for each entity;
- Comparing the forecasts adopted for previous periods with corresponding actual figures in order to assess the realization of past objectives;
- Assessing, mainly with management and our experts, the reasonableness of the main data and assumptions underlying these estimates such as cash flow discount rates and long-term revenue growth rates.

Finally, we verified that Note I.2 "Equity investments" to the financial statements provides appropriate disclosure.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents addressed to shareholders with respect to the financial position and the financial statements.

We have no comments to make on the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment terms, mentioned in Article D. 441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Board of Directors' report on corporate governance contains the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code relating to remunerations and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements or information used in preparing those financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

Other disclosures

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of ID Logistics Group by the Shareholders' Meeting held on May 23, 2018 for Grant Thornton and on June 30, 2002 for Deloitte & Associés.

As at December 31, 2018, Grant Thornton and Deloitte & Associés were in the 1st year and 17th year of total uninterrupted engagement, respectively, which are the 1st and 7th year since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements have been approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified by Article L.823-10-1 of the French Commercial Code, the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. He also:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for his opinion; The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration referred to in Article 6 of Regulation (EU) no. 537/2014, confirming our independence pursuant to the rules applicable in France as defined in particular by Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Paris-La-Defense and Lyon, April 15, 2019

The Statutory Auditors

Grant Thornton Membre français de Grant Thornton International	Deloitte & Associés
Françoise MECHIN	Benjamin HAZIZA Joël ASSAYAH

4.9.4 Financial results of the Company for the last 5 years

(Art. R. 225-102 of the French Commercial Code)

(€)	2014	2015	2016	2017	2018
<u>I. FINANCIAL POSITION AT YEAR-END</u>					
a) Capital stock	2,791,440.50	2,792,940.50	2,794,940.50	2,801,187.50	2,821,237.50
b) Number of shares issued	5,582,881	5,585,881	5,589,881	5,602,375	5,402,475
c) Number of convertible bonds/shares					
<u>II. TOTAL RESULTS OF OPERATIONS</u>					
a) Revenues excl. VAT	4,283,831	4,508,303	5,457,583	5,500,653	6,849,436
b) Earnings before tax, depreciation and provisions	49,683	418,540	105,824	61,383	181,070
c) Corporate income tax	-	-	-	-	-
d) Employee profit sharing for the year	-	-	-	-	-
e) Earnings after tax, depreciation and provisions	49,683	418,540	105,824	61,383	181,070
f) Dividends distributed	-	-	-	-	-
<u>III. EARNINGS PER SHARE</u>					
a) Earnings after tax and employee profit share, before depreciation and provisions	0.01	0.07	0.02	0.01	0.03
b) Earnings after tax, depreciation and provisions	0.01	0.07	0.02	0.01	0.03
c) Dividend per share	-	-	-	-	-
<u>IV. STAFF</u>					
a) Number of employees	11	11	11	11	11
b) Total wages and salaries	3,113,000	3,248,500	4,037,063	4,173,696	4,196,136
c) Total social security and staff benefits	0	0	0	0	0

4.10 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are specified under Note 25 to the 2018 consolidated financial statements in section 4.8 of the Registration Document, “Annual historic financial information”. Current regulated agreements are given in the special reports of the statutory auditors presented below.

Since the preparation of the statutory auditors' special report for fiscal 2017 a new regulated agreement has been entered into between Comète SARL and subsisiaries of the Group. The details regarding this regulated agreement are included in the auditors report on regulated agreements for fiscal 2018 presented below.

4.10.1 Intercompany transactions

Intercompany transactions are described under section 1.9.3 of the Registration Document, "Main intra-group cash flows".

4.10.2 Transactions with related parties

As stated under Note 25 to the consolidated financial statements in section 4.8 of the Registration Document, "Annual historic financial information", agreements entered into with Financière ID and its subsidiaries concern services provided and warehouse renting under commercial leases. The services provided concern invoices passed on for part of the costs for two ID Logistics France employees, who carry out occasional administrative assignments for Les Parcs du Lubéron 1 and Financière ID. Financière ID is a company that provides research, expert assessment, technical support, project management and engineering consulting for industrial building projects and, in general, all operations related to transactions involving real estate and business undertakings. Financière ID may be called upon to carry out occasional transactions or consulting assignments in relation to real estate projects implemented by subsidiaries of the ID Logistics Group.

Also refer to section 3.3.4 "Contracts between directors and the Company" of the Registration Document.

4.10.3 Statutory auditors' report on regulated agreements and commitments in respect of the year ended December 31, 2018

This is a free translation into English of the statutory auditors' special report on regulated agreements and commitments issued in the French language and is provided solely for the convenience of English-speaking readers. This report on regulated agreements and commitments should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France. It should be understood that the agreements and commitments reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as statutory auditors of your Company, we hereby report to you on regulated agreements and commitments.

It is our responsibility to communicate to you, based on information given to us, the principal terms and conditions as well as the reasons justifying the interest for the Company of the agreements and commitments notified to us or that we discovered during our engagement; it is not our responsibility to comment on their usefulness or appropriateness or to search for other agreements and commitments. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code, to assess the reason for signing these agreements and commitments in order to approve them.

It is also our responsibility to report to you any information required under Article R. 225-31 of the French Commercial Code relating to transactions undertaken during the past year in conjunction with agreements and commitments that the shareholders' general meeting has approved in prior years.

We carried out the work that we considered necessary pursuant to professional standards of the French National Auditors Association relating to this engagement. This work consisted in verifying that the information provided to us was consistent with the source documents from which it was taken.

1. Agreements and commitments submitted to the approval of the Annual General Meeting

Agreements and commitments not previously authorized, but subsequently authorized and justified

Pursuant to Articles L. 225-42 and L. 823-12 of the French Commercial Code, we bring to your attention the following agreements which were not previously authorized by your Board of Directors.

Our role is to communicate to you the circumstances which explain why the authorization procedure was not followed.

- Coordination agreement concluded between ID LOGISTICS GROUP and Comète

Director concerned: Mr. Eric HEMAR

The purpose of this agreement for Comète is to coordinate the group and provide assistance to the subsidiaries and sub-subsidiaries in the performance of the coordination services. The agreement is not subject to any remuneration.

This agreement was not previously authorized by omission.

At its meeting on January 16, 2019, your Board of Directors decided to authorize this agreement ex post facto.

2. Agreements and commitments previously approved by the Shareholders' General Meeting

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, previously approved by Shareholders' Meetings of prior years, have remained in force during the year.

- Guarantee between ID LOGISTICS GROUP and ID LOGISTICS RUS

Director concerned: Mr. Eric HEMAR.

This guarantee was issued in 2013 in conjunction with opening a fresh produce logistics platform in Russia for a client of the Group. ID LOGISTICS RUS, a subsidiary of the ID LOGISTICS Group, took out a lease on warehouse space (under construction), located near Moscow, for a minimum 6-year term.

To ensure compliance with the lease requirements, the lessor requested a parent company guarantee amounting to US$5,796,716, valid for the minimum lease term.

This agreement was authorized by your Board of Directors at its meetings on May 10, 2013 and June 5, 2013.

This agreement continued during 2017 with changes on (i) the duration of the guarantee (2 additional years) and (ii) the applicable currency (RUB replacing US dollar).

Accordingly, in this context of the extension of the client contract and the lease agreement, the lessor requested a new parent company guarantee amounting to a maximum of RUB 339,107,886, valid until September 30, 2021.

These changes in the guarantee have been approved by the Board of Directors on June 28, 2017.

- Services agreement between ID LOGISTICS GROUP and Comète

Director concerned: Mr. Eric HEMAR

Agreement approved by the Board of Directors on March 7, 2012

The purpose of this agreement is the provision by Comète of advisory services and administrative and strategic assistance, financial consulting and guidance, as well as additional services.

In consideration for services provided, Comète receives a fixed monthly fee amounting to €14,250 excluding VAT and a variable fee determined at the beginning of each year in accordance with set targets.

Should ID LOGISTICS GROUP meet the budget for year 2018, Comète will be entitled to a variable fee of €80,000 excluding VAT.

ID LOGISTICS GROUP will also pay assignment costs.

This service agreement started on January 1, 2011, the criteria for the variable fee being reviewed each year at the anniversary date.

Lyon and Paris-La-Defense, April 15, 2019

The Statutory Auditors

Grant Thornton Membre français de Grant Thornton International	Deloitte & Associés
Françoise MECHIN	Benjamin HAZIZA Joël ASSAYAH

4.11 DATE OF THE MOST RECENT FINANCIAL INFORMATION

The most recent financial information dates from December 31, 2018.

4.12 MATERIAL CONTRACTS

The Company has not entered into any material contracts other than those executed in the ordinary course of business and with related parties (see 4.10.2 “Transactions with related parties”).

4.13 INFORMATION PROVIDED BY THIRD PARTIES, EXPERTS’ DECLARATIONS AND DISCLOSURES OFINTERESTS

None

4.14 TRENDS

4.14.1 Principal trends since the most recent fiscal year-end, December 31, 2018

Business since 2018 year-end has continued in line with trends seen in 2018.

4.14.2 Known trends, uncertainties, commitment requests or events reasonably likely to impact the Company's outlook

As of the Registration Document Date, apart from the aforementioned items there is no known trend, uncertainty, commitment request or event reasonably likely to have a material impact, either positive or negative, on the Company's outlook.

4.14.3 Profit forecasts or estimates

The Company does not intend to prepare a profits forecast or estimate.

4.15 COURT AND ARBITRATION PROCEEDINGS

The Group may be involved in court or arbitration proceedings or disputes with the public authorities in the course of its normal activities. The Group books a provision when there is a reasonable probability that such litigation will lead to costs for the Company or one of its subsidiaries, and when such costs can be reliably estimated.

There are no government, court or arbitration proceedings, including any proceedings of which the Group is aware or proceedings which are suspended or threatened, that could have or that have over the last 12 months had a material effect on the Group's and/or the Company's financial position or earnings.

4.16 MATERIAL CHANGE IN THE FINANCIAL OR COMMERCIAL POSITION

To the Company's best knowledge, there has not been any material change in the Group's financial or commercial position since December 31, 2018.

5/ ADDITIONAL INFORMATION

5 ADDITIONAL INFORMATION

5.1 INFORMATION CONCERNING THE COMPANY

5.1.1 Registered name of the Company

The Company's registered name is: ID LOGISTICS GROUP.

5.1.2 Place of registration and Company registration number

The Company was registered with the Paris Trade and Companies Registry on October 3, 2001 before being transferred on October 4, 2005 to the Avignon Trade and Companies Registry, then to the Tarascon Trade and Companies Registry after the Company's head offices move in July 2019, under number 439 418 922.

The Company's LEI number is: 969500U1DQN70VMJ9P45.

5.1.3 Date of incorporation and term

The Company was incorporated for a 99-year term ending October 3, 2100, except in the event of early dissolution or extension.

5.1.4 The Company's head office and legal form, legislation governing its business activities

Originally incorporated as a *société par actions simplifiée* (French simplified joint stock company), the Company was transformed into a *société anonyme* (French corporation) pursuant to the decision of the June 21, 2010 shareholders' general meeting.

The Company is subject to French law and is subject in particular to Articles L. 225-1 et seq. of the French Commercial Code with regard to its operations.

The Company's head office is located at: 55 chemin des Engranauds, 13660 Orgon, France. The Company's contact details are as follows:
Telephone: +33 (0)4 42 11 06 00
Website: www.id-logistics.com.

5.2 TREASURY STOCK - DESCRIPTION OF THE SHARE BUYBACK PROGRAM

Share buyback program approved by the May 23, 2018 general meeting

The Company's Combined Ordinary and Extraordinary General Meeting held on May 23, 2018 authorized the Board of Directors, for a period of eighteen months from the date of the meeting, to implement a share buyback program pursuant to Article L. 225-209 of the French Commercial Code and the General Regulation of the French financial markets authority (*Autorité des Marchés Financiers*, AMF), under the terms and conditions described below:

- Securities: shares of common stock
- Maximum proportion of capital stock allowed for the program: 10% of capital (i.e. 560,237 shares as of December 31, 2017), with the proviso that this limit shall be applied as of the share buyback dates so as to take account of any share issues or capital reductions that may occur during the term of the program. The number of shares included in the calculation of this limit represents the number of shares purchased less the number of shares resold during the term of the program under the liquidity objective.
- Given that the Company may not hold more than 10% of its capital stock, the maximum number of shares that can be purchased shall be 560,237 shares including existing treasury shares (7,834 as of December 31, 2017).
- Maximum purchase price: €220
- Maximum value of the program: €123,252,140
- Share buyback procedures: purchases, sales and transfers can be made by any means on financial markets or OTC markets, including by block trades; the draft shareholder resolution does not limit the portion of the program that may be completed by block share purchases.
- Objectives:
  - To stimulate trading on the secondary market or to enhance the liquidity of the ID Logistics Group share pursuant to a liquidity agreement with an investment service provider, in compliance with the AMAFI Charter of Professional Ethics as recognized by the French financial markets authority (AMF);
  - To hold the purchased shares for subsequent reissue as consideration or in exchange with regard to potential acquisition transactions, provided that the shares purchased for this purpose do not exceed 5% of the Company's capital stock;
  - To ensure coverage of stock option plans and/or bonus share plans (or similar plans) in favor of Group employees and/or corporate officers, as well as all share allocations under Company or Group savings plans (or similar plans) and profit-sharing schemes and/or all other forms of share allocation to Group employees and/or corporate officers;
  - To ensure coverage of securities giving entitlement to the allocation of Company shares pursuant to applicable regulations;
  - To cancel the purchased shares, if applicable, subject to approval from the May 23, 2018 shareholders' general meeting.
- Term of the program: 18 months with effect from the May 23, 2018 general meeting until November 22, 2019.

Implementation of the share buyback program

Reasons for purchase	% of the program
Stimulate the share price	100
Employee shareholding	-
Stock options and warrants	-
Mergers and acquisitions	-
Cancellation	-

In conjunction with the share buyback program, the Company extended the liquidity contract entered into with Oddo Corporate Finance on April 18, 2012 until April 17, 2020. Under the liquidity contract, in 2018 the Company made the following purchases and sales of treasury shares:

Number of shares purchased	79,024
Average purchase price	€141.22
Number of shares sold	77,818
Average sales price	€143.05
Number of treasury shares at the balance sheet date	9,040 (0.16% of capital stock)
Value at purchase price	€1,293,000
Par value at balance sheet date	€1,040,000
Transaction costs	€20,000

As of the Registration Document Date, the Company does not hold any treasury shares apart from the shares held under the liquidity contract, and no Company shares are held by any of its subsidiaries or by any third parties on its behalf.

The shares held by the Company have not been used or reassigned for other purposes since the last authorization granted by the shareholders' general meeting.

New share buyback program submitted to the May 23, 2019 general meeting

- As of March 31, 2019, the number of directly and indirectly held shares was 5,638, representing 0.1% of the Company's capital stock.

  Number of shares held broken down by objective:
  - Stimulating the share liquidity a liquidity contract in compliance with market practice : 5,638
  - Mergers and acquisitions: -
  - Coverage of stock options or other employee ownership plans: -
  - Coverage of stock options and warrants: -
  - Cancellation: -
- The new plan breaks down as follows:

- Securities: shares of common stock
- Maximum proportion of capital stock allowed for the program: 10% of capital (i.e. 564,247 shares as of December 31, 2018), with the proviso that this limit shall be applied as of the share buyback dates so as to take account of any share issues or capital reductions that may occur during the term of the program. The number of shares included in the calculation of this limit represents the number of shares purchased less the number of shares resold during the term of the program under the liquidity objective.
- Given that the Company may not hold more than 10% of its capital stock, the maximum number of shares that can be purchased shall be 564,247 shares including existing treasury shares (9,040 as of December 31, 2018).
- Maximum purchase price: €220
- Maximum value of the program: €124,134,340
- Share buyback procedures: purchases, sales and transfers can be made by any means on financial markets or OTC markets, including by block trades; the draft shareholder resolution does not limit the portion of the program that may be completed by block share purchases.
- Objectives:
  - To stimulate trading on the secondary market or to enhance the liquidity of the ID Logistics Group share pursuant to a liquidity agreement with an investment service provider, in compliance with market practice as recognized by the regulation in force;
  - To hold the purchased shares for subsequent reissue as consideration or in exchange with regard to potential acquisition transactions, provided that the shares purchased for this purpose do not exceed 5% of the Company's capital stock;
  - To ensure coverage of stock option plans and/or bonus share plans (or similar plans) in favor of Group employees and/or corporate officers, as well as all share allocations under Company or Group savings plans (or similar plans) and profit-sharing schemes and/or all other forms of share allocation to Group employees and/or corporate officers;
  - To ensure coverage of securities giving entitlement to the allocation of Company shares pursuant to applicable regulations;
  - To implement any market practice that would be authorized by the French financial markets authority (AMF) and more broadly to realize any operation in compliance with regulation in force;

- To cancel the purchased shares, if applicable, subject to approval from the May 23, 2019 shareholders' general meeting.

- Term of the program: 18 months with effect from the May 23, 2019 general meeting until November 22, 2020.

5.3 DEED OF INCORPORATION AND BYLAWS

5.3.1 Corporate purpose *(Article 4 of the bylaws)*

The Company's direct or indirect corporate purpose in France and abroad is: advising on and performing logistics services throughout the world and acquiring an interest in any company carrying out any activity; any industrial and commercial transactions pertaining to the creation, acquisition, letting or lease-management of any business undertaking, the rental, installation, operation of any establishment, business undertaking, factory or workshop pertaining to any of the activities specified above, the filing, acquisition, operation or assignment of any processes, patents or intellectual property rights regarding such activities, the direct or indirect involvement of the Company in any financial, real property or movable property transactions or commercial or industrial enterprises which may pertain to the corporate purpose or to any similar or related purpose; as well as any transactions whatsoever contributing to the achievement of this purpose.

5.3.2 Provisions of the bylaws or other provisions pertaining to the members of the administrative and managing bodies

Article 12 of the bylaws states that the Board of Directors sets the direction of the Company's business and ensures the implementation thereof. Subject to the powers expressly reserved for general meetings of shareholders and subject to the corporate purpose, it addresses any matters pertaining to the efficient running of the Company and, by way of voting, settles matters concerning the Company.

In dealings with third parties, the Company is bound by the acts of the Board of Directors, including where it is acting *ultra vires*, unless the Company shows that the third party was actually or constructively aware of the *ultra vires* nature of the act, provided, however, that the mere publication of the bylaws shall not suffice to constitute evidence to that effect.

The Board of Directors carries out all inspections and verifications that it deems appropriate. Each director is provided with all necessary information for the performance of his duties and may request any document he deems useful.

The Board of Directors may decide to set up committees entrusted with the assessment of matters that the Board or its Chairman refers to such committees for review.

Directors may be individuals or legal entities. Legal entities must, upon appointment, name a permanent representative who shall be subject to the same terms and conditions and obligations and incur the same liability as if he were a director in his own right, without prejudice to the joint and several liability of the legal entity he represents.

This appointment as permanent representative is for a term equal to that of the appointment of the legal entity he represents. It is renewed on each renewal of the latter appointment.

If the legal entity terminates the appointment of its representative, it must immediately notify such termination to the Company by registered mail, and inform it of the identity of its new permanent representative. The same applies in the event of death, resignation or long-term unavailability of the permanent representative.

Individual directors may not hold office on more than five boards of directors or supervisory boards of corporations having their head office in mainland France, save in the cases provided for by law.

An employee of the Company cannot be appointed as director unless his employment contract was entered into prior to his appointment and relates to an existing post. However, the number of directors with whom the Company has entered into an employment contract cannot exceed one third of directors in office.

Subject to statutory exceptions, the Board of Directors shall comprise at least three members and no more than eighteen members. Throughout the duration of the Company, directors are appointed, or their appointments renewed, by the shareholders' ordinary general meeting. However, in the event of a merger or demerger, the appointment of directors may be carried out at an extraordinary general meeting.

In accordance with the provisions of Article L.225-27 of the French Commercial Code, a Board member representing the employees may be elected by the Company's employees. The term of their appointment shall be three years. Their appointment may be renewed. However, their office shall be terminated automatically if they no longer comply with the eligibility criteria set forth in Article L.225-28 of the French Commercial Code or if their employment contract is terminated in accordance with Article L.225-32 of said code. The procedure for electing said Board member and their status are defined by the provisions of Articles L.225-28 to L.225-34 of the French Commercial Code and by the Company's bylaws.

Vacancies - appointment by the Board except for directors representatives of employees *(Article 13 of the bylaws)*

If one or more positions should become vacant on the Board between two shareholders' meetings, as a consequence of death or resignation, the Board of Directors may make one or more appointments on a provisional basis.

Director appointments made by the Board of Directors are subject to ratification by the shareholders at the next ordinary general meeting. Failing ratification, resolutions adopted and acts performed prior thereto shall nevertheless remain valid.

If only one or two directors remain in office, he or they, or alternatively, the statutory auditor(s), must immediately call a shareholders' ordinary general meeting to fill the vacant positions on the Board.

A director appointed in replacement of another shall remain in office for the remaining term of appointment of his predecessor.

Term of directors' appointment except for directors representatives of employees *(Article 14 of the bylaws)*

The term of directors' appointment is three years.

A director ceases to hold office at the close of the ordinary general meeting called to approve the financial statements for the financial year ended, held in the year during which the term of office of said director expires.

The directors may always be re-appointed. They may be removed from office at any time by the ordinary general meeting.

Structure, meetings and voting of the Board of Directors *(Article 15 of the bylaws)*

1. Chairman
The Board of Directors elects an individual to be Chairman from amongst its members and fixes his remuneration.
The Chairman is appointed for a term which cannot exceed that of his appointment as director. He is eligible for re-appointment. The Board of Directors may remove him from office at any time. Any contrary provision shall be deemed to be inapplicable.
The Chairman organizes and manages the Board's duties, and reports to the shareholders' general meeting on the Board's work. He sees to the proper operation of the Company's decision-making bodies and verifies, in particular, that directors are in a position to perform their duties.

2. Board meetings
The Board of Directors shall meet upon notice from its Chairman, as often as the Company's interests so require.
Where the Board has not met for more than two months, at least one third of the members of the Board of Directors may request the Chairman to convene same to vote upon a specified agenda. The Chief Executive Officer may also request that the Chairman convene a meeting of the Board of Directors to deliberate on a specified agenda. The Chairman is bound by the requests thus sent to him.
The meeting shall be held either at the head office or at any other venue indicated in the notice. The notice of the meeting may be made by any means, even verbally. All notices must state the main issues on the agenda.
An attendance register shall be kept and signed by the directors attending the meeting of the Board of Directors.

3. Quorum and majority
The effective presence of at least half of the directors is necessary in order for voting to be valid. Any director may, by any written means, appoint another director as his proxy to represent him at any Board meeting. No director may hold more than one proxy at a given session. These provisions are applicable to the permanent representative of a legal entity appointed as director.

Save where the vote relates to

- the appointment, remuneration and removal of the Chairman, Chief Executive Officer or Deputy Chief Executive Officer,
- the approval of the parent company and consolidated financial statements,

the Rules of Procedure may provide that directors taking part in Board meetings by means of video-conference or any other form of telecommunication technology used in a manner that complies with regulatory provisions are deemed to be in attendance for the purposes of determining quorum and majority.
Decisions are taken by a majority of the votes of members in attendance or represented. In the event of a tie, the session's chairman has a casting vote.
The mere recording, in the minutes of each meeting, of the names of the directors in attendance, represented or absent shall constitute valid proof, vis-à-vis third parties, of the number of directors in office and of their appointment.
Directors taking part in Board meetings by video-conference or any other telecommunication means are deemed to be in attendance for purposes of the quorum.

4. Minutes of proceedings
Voting of the Board of Directors is recorded in minutes of proceedings drawn up in accordance with the law and signed by the session's chairman and by a director or, if the Chairman is indisposed, by two directors.
Copies of or excerpts from these minutes may be certified by the Chairman of the Board of Directors, a senior executive officer, a director temporarily appointed as deputy chairman or an authorized person empowered to that end, such as the session's secretary.

5. Duties of confidentiality
The directors, as well as any persons called to attend meetings of the Board, are bound by a duty of confidentiality with respect to confidential information given as such by the Chairman of the Board.

Directors' remuneration *(Article 16 of the bylaws)*

The shareholders' meeting may award directors' fees, the amount of which shall be recorded as operating expenditure of the Company and remains applicable until otherwise resolved by the shareholders' meeting.
The Board of Directors determines the distribution of this remuneration between the directors.
Exceptional remuneration may be awarded by the Board of Directors for assignments or mandates entrusted to directors. In that event, such remuneration is recorded as operating expenditure and notified to the statutory auditors and is subject to the approval of the ordinary general meeting.
No remuneration, whether permanent or otherwise, other than that provided herein, may be awarded to directors unless they have entered into an employment contract with the Company on terms and conditions authorized by law.

Board advisors (*Article 16 bis*)

The Board of Directors may appoint one or more advisory members, who may be either individuals or legal entities chosen either from among the shareholders or otherwise. Any legal entity appointed as an advisory Board member shall appoint a permanent representative.
The number of advisory Board members shall not exceed four.

The term of their appointment shall be three years. An advisory Board member shall cease to hold office at the close of the general meeting held during the year in which his or her term of office expires and called to approve the financial statements for the previous year.
The advisory Board members may be reappointed without limitation and may be removed from office, without compensation, by decision of the Board of Directors.
The advisory Board members shall be invited to all meetings of the Board of Directors and shall have a consultative vote at such

meetings. Their right to information and to reporting is identical to that of the members of the Board of Directors.
They may receive remuneration, which shall be deducted from the amount of directors' fees awarded to the members of the Board of Directors.
The advisory Board members shall be responsible for monitoring the application of the bylaws, laws and regulations. They may issue an opinion on any item on the Board meeting agenda and may request of the Chairman that their comments be communicated to the shareholders' general meeting if they deem it appropriate.
The advisory Board members may not under any circumstances become involved in the management of the Company or, in general, take the place of the Company's statutory decision-making bodies.

General management *(Article 17 of the bylaws)*

Either the Chairman of the Board of Directors, or another individual appointed by the Board of Directors as Chief Executive Officer, shall carry out and be responsible for the general management of the Company.
The Board of Directors shall choose between the two methods of general management. The decision as to the choice of the general management method shall be taken by a simple majority vote of the directors in attendance or represented. The option selected must be implemented for a term of no less than one year.
The Chief Executive Officer may be removed from office at any time by the Board of Directors. Where the Chief Executive Officer is removed without cause, he may be entitled to damages, unless the Chief Executive Officer holds the office of Chairman of the Board of Directors.
The Chief Executive Officer is vested with the broadest powers to act under any circumstances in the name of the Company. He exercises these powers subject to the corporate purpose and subject to those powers expressly reserved by law to the shareholders' meetings or to the Board of Directors. He represents the Company in its dealings with third parties. The Company is bound by the acts of the Chief Executive Officer, including where he is acting *ultra vires*, unless the Company shows that the third party was actually or constructively aware of the *ultra vires* nature of the act, provided, however, that the mere publication of the bylaws shall not suffice to constitute evidence to that effect.
Decisions of the Board of Directors restricting the Chief Executive Officer's powers are not binding on third parties.
Where the general management of the Company is carried out by the Chairman of the Board of Directors, the following provisions relating to the Chief Executive Officer are applicable to him.
The CEO is subject to the provisions governing the simultaneous holding of appointments as Chief Executive Officer, member of the management committee, sole managing director, director or member of the supervisory board of corporations (*sociétés anonymes*) whose head office is located in France.
On a motion by the CEO, the Board of Directors may appoint one or more individuals to assist the CEO; such person(s) shall hold the office of Deputy Chief Executive Officer. There may not be more than five Deputy CEOs.
The Deputy CEO may be removed from office at any time by the Board of Directors on a motion by the CEO. If the removal is decided upon without just cause, it may give rise to damages.
Where the CEO ceases or is unable to perform his duties, the Deputy CEOs shall, unless otherwise resolved by the Board, remain in office and continue to hold their powers until a new CEO is appointed.
The Board of Directors shall determine the remuneration of the Deputy CEOs. The Board of Directors shall, jointly with the CEO, determine the scope and term of the powers conferred on Deputy CEOs. Vis-à-vis third parties, Deputy CEOs shall hold the same powers as the CEO.

5.3.3 Rights, prerogatives and restrictions attaching to shares of the Company

5.3.3.1 Voting rights *(Article 25 of the bylaws)*

The voting right attaching to shares is proportional to the amount of capital stock they represent. Each equity share or dividend share carries at least one vote. However, a double voting right as compared to that conferred on other shares, in light of the portion of the capital stock that they represent, is ascribed to all fully paid-up shares that are proved to have been registered for at least four consecutive years in the name of the same shareholder. In the event of a capital increase by capitalization of reserves, retained earnings or additional paid-in capital, or an exchange of shares in connection with a stock split or reverse stock split, the double voting right is conferred on shares allocated in respect of registered shares, provided that they are held in registered form following allocation and that the shares in respect of which they were allocated carried a double voting right.
Where shares are pledged, the voting right is exercised by their owner.
Registered double voting shares that are converted to bearer shares, sold or transferred shall forfeit their double voting rights except in cases provided for by law.

5.3.3.2 Rights to dividends and profits *(Article 11 of the bylaws)*

All shares entitle their holders to a share of the Company's assets and profits in proportion to the amount of capital stock they represent.

It will be proposed to the May 23, 2019 combined general meeting to include an 8th paragraph to article 11 of the bylaws in order to organize voting method in case share ownership is divided between usufructuaries and bare owners in accordance with article 787 B of French general tax code (see paragraph 6 of 26th resolution).

5.3.3.3 Dividend lapse period *(Article 30 of the bylaws)*

Dividends that fail to be claimed within 5 years from the date of distribution will be time-barred in favor of the State (Article L 1126-1 of the French General Public Entities' Assets Code).

5.3.3.4 Right to liquidation surplus *(Article 32 of the bylaws)*

The balance of net assets after repayment of the par value of the shares shall be shared equally between all shares.

5.3.3.5 Preferential subscription right *(Article 7 of the bylaws)*

The Company's shares shall each carry a preferential right to subscribe to share issues.

5.3.3.6 Limitation of voting rights

None.

5.3.3.7 Identifiable bearer securities *(Article 9 of the bylaws)*

Shares shall be in registered or bearer form, as the shareholder may elect. Where shares are registered, they are registered in an individual account on the terms and conditions and in accordance with the procedures set out in applicable statutory and regulatory provisions.
The Company may in particular, at any time and in accordance with applicable statutory and regulatory provisions, request the central custodian holding the securities issue account (subject to payment of remuneration by the Company) to provide it with information on the holders of securities carrying an immediate or future voting right at its shareholders' meetings, as well as the number of securities held by each of them and, if any, the restrictions affecting such securities.

5.3.3.8 Buyback of Company shares

See section 5.2.3.

5.3.4 Procedures for amending shareholder rights

The rights of shareholders as set out in the Company bylaws may only be amended by the extraordinary general meeting of the Company's shareholders.

5.3.5 Crossing of bylaw thresholds (*Article 9 of the bylaws)*

In addition to the statutory duty to inform the Company of the ownership of certain percentages of the capital stock or voting rights, the Company bylaws provide that any individual or legal entity, acting alone or in concert, that comes to hold, directly or indirectly, a number of shares or voting rights in the Company that is equal to or greater than 2% of the Company's capital stock or voting rights is required, no later than prior to the close of trading on the fourth trading day following the crossing of the threshold as of registration of the securities allowing that shareholder to attain or exceed this threshold, to disclose to the Company, by registered letter with delivery receipt, the total number of shares and voting rights that they hold as well as all the details and other information that may be required as a result of the statutory duty to disclose threshold crossings.

This disclosure shall be renewed in accordance with the foregoing provisions whenever a further 2% threshold is reached or exceeded, whether upwards or downwards, irrespective of the reason, including the crossing of the first statutory threshold.

In case of non-compliance with the foregoing provisions, subject to a request made by one or more shareholders holding at least 2% of the capital stock and recorded in the minutes of the general meeting, the shares exceeding the undisclosed threshold shall be stripped of voting rights at all shareholders' general meetings held until the expiry of a two-year period following the date on which the non-disclosure is rectified.

5.3.6 Special provisions governing capital stock changes

The Company bylaws do not contain any special provisions governing changes to its capital stock.

5.4 ID LOGISTICS GROUP SECURITIES MARKET

The institution performing financial market services for ID Logistics Group is CACEIS Corporate Trust, 14 rue Rouget de Lisle, 92862 Issy les Moulineaux Cedex 9.

ISIN code: FR0010929125
Stock exchange: Euronext Paris
Market: Euronext Compartment B
Principal index: CAC Small
Other indices: CAC Mid & Small, CAC All-Tradable, CAC Industrials

Schedule of trading

	High and low prices (€)		Closing price	Daily average volumes	
Period	High	Low	Average (€)	Number of shares	Value (€000)
January 2016	128.50	101.01	110.87	4,992	550
February 2016	108.20	99.70	102.83	2,874	296
March 2016	108.15	100.00	104.32	1,842	192

April 2016	111.50	97.70	103.17	3,307	340
May 2016	118.90	100.21	107.43	2,917	315
June 2016	127.45	113.10	120.31	4,658	56
July 2016	134.87	124.01	128.22	2,817	361
August 2016	147.00	126.55	139.72	2,854	403
September 2016	146.00	133.35	137.11	2,255	311
October 2016	136.25	127.10	132.18	1,431	190
November 2016	137.97	128.50	136.04	1,362	184
December 2016	137.55	133.70	135.41	1,910	259
January 2017	142.49	130.35	134.85	1,923	259
February 2017	151.79	136.50	145.21	2,682	389
March 2017	147.00	128.00	142.55	2,624	361
April 2017	140.00	121.55	131.31	2,851	372
May 2017	142.00	130.00	137.37	1,919	263
June 2017	140.39	130.00	135.77	1,726	234
July 2017	140.14	130.39	135.20	1,502	204
August 2017	140.30	134.00	137.70	869	119
September 2017	151.40	137.50	142.66	2,563	364
October 2017	158.88	147.40	153.01	1,504	231
November 2017	148.95	119.60	132.08	3,198	416
December 2017	140.22	123.35	133.24	2,146	285
January 2018	148.00	131.40	137.90	3,089	432
February 2018	138.00	120.00	132.65	2,388	315
March 2018	145.40	122.00	131.82	2,496	331
April 2018	151.80	144.60	148.59	3,133	464
May 2018	155.00	147.20	153.24	2,710	415
June 2018	155.00	138.60	146.45	2,042	297
July 2018	143.00	132.00	136.86	1,509	206
August 2018	156.60	139.60	145.14	1,419	208
September 2018	155.20	151.60	153.99	1,405	216
October 2018	156.60	136.60	147.37	3,588	544
November 2018	149.60	139.60	145.01	1,502	218
December 2018	142.80	113.20	123.99	1,610	201
January 2019	147.80	112.20	132.42	2,214	200
February 2019	152.00	139.60	147.39	2,061	304
March 2019	152.20	134.00	143.60	2,155	310

5.5 DOCUMENTS AVAILABLE TO THE GENERAL PUBLIC

All of the Company's corporate documents which are required to be made available to the shareholders may be viewed at the Company's head office.

The following in particular may be reviewed:
(a) The Company's deed of incorporation and bylaws;
(b) All reports, correspondence and other documents, historic financial information, valuations and declarations drawn up by any expert at the Company's request, part of which is included or referred to in the Registration Document;
(c) The Company's historic financial information for the two fiscal years preceding publication of the Registration Document.

Furthermore, the regulated information within the meaning of the General Regulation of the French financial markets authority (AMF) shall also be available, in accordance with the requirements of applicable statutory and regulatory provisions, on the Group's website (www.id-logistics.com).

5.6 LEGISLATION APPLICABLE TO GROUP OPERATIONS

The regulations affecting the Group's operations are described under section 1.7 ("Regulatory Environment") and related risks under section 2.2.1 ("Current and future regulatory risks") of the Registration Document.

6/ MAY 23, 2019 ORDINARY AND EXTRAORDINARY GENERAL MEETING

6 MAY 23, 2019 ORDINARY AND EXTRAORDINARY GENERAL MEETING

6.1 AGENDA

Ordinary business:

- Approval of the parent company financial statements for the year ended December 31, 2018 - Approval of expenses not deductible for tax purposes,
- Approval of the consolidated financial statements for the year ended December 31, 2018,
- Appropriation of earnings for the year,
- Statutory auditors' special report on regulated agreements and commitments – Approval of a new agreement,
- Reappointment of Mr. Eric Hémar as director,
- Reappointment of Mr. Christophe Satin as director,
- Appointment of COMETE to replace IMMOD as director,
- Approval of the head office transfer,
- Approval of the principles and criteria for calculating, allocating and assigning the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kind to be awarded to the Chairman and CEO,
- Approval of the principles and criteria for calculating, allocating and assigning the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kind to be awarded to the Deputy CEO,
- Approval of the remuneration paid or awarded to Mr. Eric Hémar, Chairman and CEO, in respect of fiscal 2018,
- Approval of remuneration paid or awarded to Mr. Christophe Satin, Deputy CEO, in respect of fiscal 2018,
- Authorization to be granted to the Board of Directors for the Company to buy back its own shares in accordance with the conditions specified under Article L. 225-209 of the French Commercial Code, including the duration of the authorization, objectives, procedures and cap.

Extraordinary business:

- Authorization to be granted to the Board of Directors for the Company to cancel treasury shares purchased by the Company in accordance with the conditions specified under Article L. 225-209 of the French Commercial Code, including the term of the authorization, objectives, procedures and cap,
- Authorization to be granted to the Board of Directors to increase capital stock by capitalizing reserves, retained earnings and/or additional paid-in capital, term of the authorization, maximum par value of the capital increase and treatment of fractional shares,
- Authorization to be granted to the Board of Directors to issue shares of common stock and/or equity securities giving access to other equity securities or giving entitlement to debt securities and/or securities giving access to future equity securities (of the Company or a Group company) with preferential subscription rights, term of the authorization, maximum par value of the capital increase and power to offer unsubscribed securities to the public,
- Authorization to be granted to the Board of Directors to issue shares of common stock and/or equity securities giving access to other equity securities or giving entitlement to debt securities and/or securities giving access to future equity securities (of the Company or a Group company) without preferential subscription right via a public offering and/or as consideration for securities in conjunction with a public exchange offer, term of the authorization, maximum par value of the capital increase, issue price and power to limit the offering to the amount of subscriptions or to distribute unsubscribed securities,
- Authorization to be granted to the Board of Directors to issue shares of common stock and/or equity securities giving access to other equity securities or giving entitlement to debt securities and/or securities giving access to future equity securities (of the Company or a Group company) without preferential subscription right, by an offer as referred to in Article L. 411-2 (II) of the French Monetary and Financial Code, term of the authorization, maximum par value of the capital increase, issue price, power to limit the offering to the amount of subscriptions or to distribute unsubscribed securities,
- With regard to issues without preferential subscription rights, authorization to set the issue price, subject to a cap of 10% of capital stock per year, under terms and conditions approved in this general meeting,
- Authorization to increase the total value of issues in the event of surplus demand,
- Authorization to be granted to the Board of Directors to increase capital stock by issuing shares of common stock and/or securities giving access to capital, up to 10% of the capital, in consideration for non-cash transfers received of equity securities or securities giving access to capital, term of the authorization,
- Authorization to be given to the Board of Directors to grant stock options to employees and/or certain corporate officers of

the Company or related companies, waiver of shareholders' preferential subscription right, duration of the authorization, cap, exercise price and term of the option,

- Authorization to be given to the Board of Directors to grant existing and/or new bonus shares to employees and/or certain corporate officers of the Company or related companies, waiver of shareholders' preferential subscription right, duration of the authorization, cap and vesting periods, particularly regarding disability and lock-in periods,
- Authorization to be granted to the Board of Directors to increase capital stock by issuing shares of common stock and/or securities giving access to the capital without preferential subscription right to members of a company savings plan pursuant to Articles L. 3332-18 et seq. of the French Labor Code, term of the authorization, maximum par value of the capital increase, issue price and power to grant bonus shares pursuant to Article L. 3332-21 of the French Labor Code,
- Authorization to be granted to the Board of Directors with a view to issuing equity warrants ("BSA"), warrants to subscribe for and/or purchase new and/or existing shares ("BSAANE") and/or redeemable warrants to subscribe for and/or purchase new and/or existing shares ("BSAAR") without preferential subscription right to a specific category of persons, maximum par value of the capital increase, term of the authorization and exercise price,
- Amendment to Article 11 "Rights and obligations attaching to shares" in the Company's bylaws,
- Authorization to be granted to the Board of Directors to bring the Company bylaws into compliance with statutory and regulatory provisions,
- Powers for formalities.

6.2 DRAFT RESOLUTIONS

Ordinary business:

First Resolution - Approval of the parent company financial statements for the year ended December 31, 2018 - Approval of expenses not deductible for tax purposes

The shareholders at the general meeting, having reviewed the reports of the Board of Directors and the statutory auditors for the year ended December 31, 2018, hereby approve the parent company financial statements for the year ended December 31, 2018 as presented, which show net income of €181,070.

The shareholders at the general meeting specifically approve expenses referred to in Article 39 (4) of the French General Tax Code, amounting to €36,100, as well as the tax thereon.

Second Resolution - Approval of the consolidated financial statements for the year ended December 31, 2018

The shareholders at the general meeting, having reviewed the reports of the Board of Directors and the statutory auditors on the consolidated financial statements for the year ended December 31, 2018, hereby approve the said financial statements as submitted to them, which show net income Group share of €25,336,049.

Third Resolution - Appropriation of earnings for the year

On the recommendation of the Board of Directors, the shareholders at the general meeting hereby resolve to appropriate earnings for the year ended December 31, 2018 as follows:

Source	
- Net income for the year	€181,070
- Retained earnings b/fwd	€1,799,770
Appropriation	
- Statutory reserve	€9,054
- Retained earnings c/fwd	€1,971,786

Pursuant to the provisions of Article 243 *bis* of the French General Tax Code, the shareholders at the general meeting hereby note that they have been reminded that no dividend distributions or other earnings distributions have been made during the past three fiscal years.

Fourth Resolution - Statutory auditors' special report on regulated agreements and commitments – Approval of one new agreement

Voting on the statutory auditors' special report on regulated agreements and commitments presented to it, the shareholders at the general meeting hereby approve the new agreement entered into during the financial year ending December 31, 2018, mentioned in accordance with Articles L. 225-38 *et seq.* of the French Commercial Code.

Fifth Resolution - Reappointment of Mr. Eric Hémar as director

The shareholders at the general meeting hereby resolve to reappoint Mr. Eric Hémar as director for a three-year term expiring at the close of the general meeting held in 2022 to approve the financial statements for the year ended.

Sixth Resolution - Reappointment of Mr. Christophe Satin as director

The shareholders at the general meeting hereby resolve to reappoint Mr. Christophe Satin as director for a three-year term expiring at the close of the general meeting held in 2022 to approve the financial statements for the year ended.

Seventh Resolution – Appointment of COMETE to replace IMMOD as director

The shareholders and the general meeting hereby resolve to appoint COMETE, a French private limited company (SARL) with capital stock of €162,400, having its registered office at 23 Rue de la Comète and registered in the Paris Trade and Companies Register under number 438 726 762, to replace IMMOD as director, for a three-year term expiring at the end of the general meeting held in 2022 to approve the financial statements for the year ended.

Eighth Resolution - Approval of head office transfer

The shareholders at the general meeting, having reviewed the report of the Board of Directors, hereby resolve to approve the transfer of the head office from 410 Route du Moulin de Losque – 84300 Cavaillon, to 55 Chemin des Engranauds - 13660 Orgon, as decided at the Board of Directors meeting held on May 23, 2018.

Ninth Resolution - Approval of the principles and criteria for calculating, allocating and assigning the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kind to be awarded to the Chairman and CEO

The shareholders at the general meeting, having reviewed the report on corporate governance drawn up by the Board of Directors pursuant to Article L. 225-37-2 of the French Commercial Code, hereby approve the principles and criteria for calculating, allocating and assigning the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kinds to be awarded to the Chairman and Chief Executive Officer in respect of his corporate office as described in this report and referred to in section 3.1.5 of the Company's 2018 Registration Document.

Tenth Resolution - Approval of the principles and criteria for calculating, allocating and assigning the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kind to be awarded to the Deputy CEO

The shareholders at the general meeting, having reviewed the report on corporate governance drawn up by the Board of Directors pursuant to Article L. 225-37-2 of the French Commercial Code, hereby approve the principles and criteria for calculating, allocating and assigning the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kinds to be awarded to the Deputy Chief Executive Officer in respect of his corporate office as described in this report and referred to in section 3.1.5 of the Company's 2018 Registration Document.

Eleventh Resolution - Approval of remuneration paid or awarded to Mr. Eric Hémar, Chairman and Chief Executive Officer, in respect of fiscal 2018

The shareholders at the general meeting, having reviewed the Board of Directors' report on corporate governance, hereby approve, pursuant to Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kinds paid or awarded to Mr. Eric Hémar in his capacity as Chairman and Chief Executive Officer in respect of fiscal 2018, as set out in section 3.1.5 of the 2018 Registration Document.

Twelfth Resolution - Approval of remuneration paid or awarded to Mr. Christophe Satin, Deputy CEO, in respect of fiscal 2018

The shareholders at the general meeting, having reviewed the Board of Directors' report on corporate governance, hereby approve, pursuant to Article L. 225-100 of the French Commercial Code, the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kinds paid or awarded to Mr. Christophe Satin in his capacity as Deputy CEO in respect of fiscal 2018, as set out in section 3.1.5 of the 2018 Registration Document.

Thirteenth Resolution - Authorization to be granted to the Board of Directors to buy back Company shares in accordance with the provisions of Article L. 225-209 of the French Commercial Code

The shareholders at the general meeting, having reviewed the report of the Board of Directors, hereby authorize the Board, for a term of eighteen months, pursuant to Articles L. 225-209 et seq. of the French Commercial Code, to buy back, on one or more occasions and at such times as it shall decide, Company shares subject to a cap of 10% of the number of shares comprising the capital stock, adjusted where applicable to take into account any capital increases or reductions carried out during the term of the share buyback plan.
This authorization shall cancel the authorization granted to the Board of Directors in the fifteenth ordinary resolution of the May 23, 2018 general meeting.
Company shares may be repurchased for all purposes permitted by law, including without limitation:

- to stimulate trading on the secondary market or to enhance the liquidity of the ID Logistics Group share pursuant to a liquidity contract with an investment service provider, in compliance with market practices admitted by applicable regulations;
- to hold the purchased shares for subsequent reissue as consideration or in exchange with regard to potential acquisitions, provided that the shares purchased for this purpose do not exceed 5% of the Company's capital stock;
- to ensure coverage of stock option and/or bonus share plans (or similar plans) in favor of Group employees and/or corporate officers, as well as all share allocations under Company or Group savings plans (or similar plans) and profit-sharing schemes and/or all other forms of share allocation to Group employees and/or corporate officers;
- to ensure coverage of securities giving entitlement to the allocation of Company shares pursuant to applicable regulations;
- to implement any market practice that may be admitted by the French financial markets authority (AMF), and more generally

to complete any other transaction in accordance with the regulations in force;
- to cancel the purchased shares if applicable, subject to the authorization granted under the fourteenth extraordinary resolution of this general meeting of shareholders.

These share buybacks may be carried out by any means, including block trades, and at such times as the Board of Directors shall see fit.

The Company reserves the right to use options or derivatives, in compliance with applicable regulations.

The maximum purchase price is set at €220 per share. In the event of equity transactions, including stock splits, reverse stock splits and bonus share allocations, the aforementioned amount will be revised accordingly through the application of a multiplier equal to the ratio between the number of shares comprising the capital stock before the transaction and the number of shares comprising the capital stock after the transaction.

The maximum value of the transaction is thus set at €124,159,200.

The shareholders at the general meeting hereby grant full powers to the Board of Directors, with the option to further delegate, to perform these transactions, define the terms and conditions thereof, sign any agreements and complete all formalities.

Extraordinary business:

Fourteenth Resolution - Authorization to be granted to the Board of Directors to cancel treasury shares purchased by the Company under Article L. 225-209 of the French Commercial Code

The shareholders at the general meeting, having reviewed the reports of the Board of Directors and the statutory auditors:

1) hereby authorize the Board of Directors to cancel, at its sole discretion, on one or more occasions, subject to a cap equal to 10% of the capital stock as determined on the day of the decision to cancel, after deduction of any shares canceled during the preceding 24 months, shares that the Company holds or may acquire as a result of purchases carried out pursuant to Article L. 225-209 of the French Commercial Code, and to reduce the capital stock accordingly, pursuant to applicable statutory and regulatory provisions;
2) hereby set the term of this authorization at twenty-four months from the date of this general meeting; and
3) hereby grant full powers to the Board of Directors, with the option to further delegate, to perform any operations required in connection with such share cancellations and corresponding capital reductions, amend the bylaws accordingly and complete all required formalities.

Fifteenth Resolution - Authorization to be granted to the Board of Directors to increase capital stock by capitalization of reserves, retained earnings and/or additional paid-in capital

The shareholders at the general meeting, voting in accordance with the quorum and majority requirements applicable to ordinary general meetings, having reviewed the report of the Board of Directors, and pursuant to the provisions of Articles L. 225-129-2 and L. 225-130 of the French Commercial Code:

1) hereby delegate to the Board of Directors their power to increase capital stock, on one or more occasions and at such times as it shall decide, by capitalization of reserves, retained earnings, additional paid-in capital or other accounts that may legally be transferred to capital stock, by issuing and granting bonus shares or by increasing the par value of existing shares of common stock, or by a combination thereof;
2) hereby resolve that should the Board of Directors use this authorization, pursuant to Article L. 225-130 of the French Commercial Code, in the event of a capital increase by issue of bonus shares, fractional shares shall not be tradable or transferable and that the corresponding shares shall be sold; the proceeds arising therefrom shall be distributed to the relevant shareholders within regulatory deadlines;
3) hereby set the term of this authorization at twenty-six months from the date of this general meeting;
4) hereby resolve that the par value of the capital increase resulting from issues carried out under this resolution shall not exceed €1,400,000, excluding amounts required to safeguard the statutory rights of holders of securities giving entitlement to shares.
5) This cap is independent of all other caps under other resolutions of this general meeting;
6) hereby grant the Board of Directors, with the option to further delegate, all powers to implement this resolution and, generally, to take all steps and perform all required formalities for proper completion of every capital increase, to record the completion of such capital increases and to amend the bylaws accordingly; and
7) hereby take note that this authorization immediately cancels any unused part of any prior authorization having the same purpose.

Sixteenth Resolution - Authorization to be granted to the Board of Directors to issue shares of common stock and/or equity securities giving access to other equity securities or giving entitlement to debt securities and/or securities giving access to future equity securities with preferential subscription rights

The shareholders at the general meeting, having reviewed the report of the Board of Directors and the statutory auditors' special report, and pursuant to the provisions of the French Commercial Code, specifically Articles L. 225-129-2, L. 225-129-4, L. 228-92 and L. 225-132 et seq:

1) hereby delegate to the Board of Directors their power to issue, on one or more occasions, in the proportions and at such times as it shall see fit, in euros or foreign currency or in any other unit established by reference to a basket of currencies:
    - shares of common stock, and/or
    - equity securities giving access to other equity securities or giving entitlement to debt securities, and/or
    - securities giving access to future equity securities.

   In accordance with Article L. 228-93 of the French Commercial Code, future securities may entitle holders to other equity securities to be issued by the Company and/or by any company which directly or indirectly owns more than half of the Company's capital stock or in which the Company directly or indirectly owns more than half of the capital stock;
2) hereby set the term of this authorization at twenty-six months from the date of this general meeting;
3) hereby resolve to set the permitted limits for the issues should the Board of Directors use this authorization, as follows:
   The total par value of the shares to be issued under this authorization shall not exceed €1,400,000.

The par value of any shares of common stock issued in the future to safeguard the rights of holders of securities giving access to the Company's capital stock shall be added to this cap in accordance with the law and any contractual requirements providing for other adjustments.
The par value of the debt securities which may be issued pursuant to this authorization may not exceed €50 million.
The caps referred to above are independent of all caps determined in other resolutions of this general meeting;

4) Should the Board of Directors use this authorization to carry out the issues referred to in 1) above:
a/ hereby resolve that any issue of shares of common stock or securities giving access to capital stock shall be reserved by priority to shareholders who will be entitled to subscribe with no reduced allotments;
b/ hereby resolve that if statutory subscriptions plus any additional subscriptions do not cover the entire issue referred to under 1/ above, the Board of Directors may:
    - limit the total issue value to the amount of the subscriptions, on the understanding that, in the event of issuing shares of common stock or securities giving access to capital stock where the primary security is a share, subscriptions must amount to at least three quarters of the resolved issue value for this limitation to be valid;
    - distribute any or all unsubscribed securities at its own discretion;
    - offer any or all unsubscribed securities to the public;
5) hereby resolve to grant the Board of Directors, within the limits set out above, with the option to further delegate, the necessary powers to set the issue terms and conditions, and determine the issue price if applicable, record the completion of the capital increases arising therefrom, amend the bylaws accordingly, decide or not to charge the cost of capital increases against any premium on issue related thereto and deduct from this value the amount required to increase the statutory reserve to one-tenth of the new capital stock after each share issue and generally take all steps that are necessary;
6) take note that this authorization cancels any prior authorization having the same purpose.

Seventeenth Resolution - Authorization to be granted to the Board of Directors to issue shares of common stock and/or equity securities giving access to other equity securities or giving entitlement to debt securities and/or securities giving access to future equity securities without preferential subscription rights by offer to the public

The shareholders at the general meeting, having reviewed the report of the Board of Directors and the statutory auditors' special report and in accordance with the provisions of the French Commercial Code, specifically Articles L. 225-129-2, L. 225-129-4, L. 225-136, L. 225-148 and L. 228-92:

1) hereby delegate to the Board of Directors their power to issue, on one or more occasions, in the proportions and at such times as it shall see fit, on the French and/or international stock exchange, by an offer to the public in euros or foreign currency or in any other unit established by reference to a basket of currencies:
    - shares of common stock, and/or
    - equity securities giving access to other equity securities or giving entitlement to debt securities, and/or
    - securities giving access to future equity securities.

   These securities may be issued in consideration for securities transferred to the Company in conjunction with a public exchange offer of securities that meets the conditions laid down under Article L. 225-148 of the French Commercial Code.
   In accordance with Article L. 228-93 of the French Commercial Code, future securities may entitle holders to equity securities to be issued by the Company and/or by any company which directly or indirectly owns more than half of the Company's capital stock or in which the Company directly or indirectly owns more than half of the capital stock;
2) hereby set the term of this authorization at twenty-six months from the date of this general meeting;
3) The total par value of the shares of common stock to be issued under this authorization shall not exceed €1,400,000.
   The par value of any shares of common stock issued in the future to safeguard the rights of holders of securities giving access to the Company's capital stock shall be added to this cap in accordance with the law and any contractual requirements providing for other adjustments.
   This cap is independent of all other caps under other resolutions of this general meeting.
   The par value of the debt securities which may be issued pursuant to this authorization may not exceed €50 million.
   This cap is independent of all other caps under other resolutions of this general meeting.
4) hereby resolve to remove the shareholders' preferential subscription right to the shares of common stock and securities referred to in this resolution, and hereby delegate to the Board of Directors the power to establish a statutory and/or additional shareholder priority subscription right, if required, pursuant to the conditions set out in Article L. 225-135 of the French Commercial Code, for all or part of a share issue;
5) hereby resolve that the sum payable to the Company for all shares of common stock issued under this authorization, after taking into account the issue price of any standalone equity warrants issued, will be no less than the applicable statutory and regulatory minimum as of the date when the Board of Directors implements the authorization;
6) hereby resolve, should securities be issued in consideration for securities received under a public exchange offer, that the Board of Directors may, as stipulated in Article L. 225-148 of the French Commercial Code and within the limits set out above, determine the list of securities transferred as consideration, set the terms and conditions of issue, the exchange ratio and any additional cash payment, and determine the terms of issue;
7) hereby resolve that if the subscriptions do not account for the entire issue referred to under 1/ above, the Board of Directors may:
    - limit the total issue value to the amount of the subscriptions, on the understanding that, in the event of issuing shares of common stock or securities giving access to capital stock where the primary security is a share, subscriptions must amount to at least three quarters of the resolved issue value for this limitation to be valid;
    - distribute any or all unsubscribed securities at its own discretion;
8) hereby resolve to grant the Board of Directors, within the limits set out above, with the option to further delegate, the necessary powers to set the issue terms and conditions, and, if applicable, record the completion of the capital increases arising therefrom, amend the bylaws accordingly, decide or not to charge the cost of capital increases against any premium on issue related thereto and deduct from this value the amount required to increase the statutory reserve to one-tenth of the new capital stock after each share issue and generally take all steps that are necessary;
9) take note that this authorization cancels any prior authorization having the same purpose.

Eighteenth Resolution - Authorization to be granted to the Board of Directors to issue shares of common stock

and/or equity securities giving access to other equity securities or giving entitlement to debt securities and/or securities giving access to future equity securities without preferential subscription right by an offer as referred to in Article L. 411-2 (II) of the French Monetary and Financial Code

The shareholders at the general meeting, having reviewed the report of the Board of Directors and the statutory auditors' special report and in accordance with the provisions of the French Commercial Code, specifically Articles L. 225-129-2, L. 225-136 and L. 228-92:

1) hereby delegate to the Board of Directors their power to issue, on one or more occasions, in the proportions and at such times as it shall see fit, on the French and/or international stock exchange, by an offer as referred to in Article L. 411-2 (II) of the French Monetary and Financial Code in euros or foreign currency or in any other unit established by reference to a basket of currencies:
   - shares of common stock, and/or
   - equity securities giving access to other equity securities or giving entitlement to debt securities, and/or
   - securities giving access to future equity securities.

   In accordance with Article L. 228-93 of the French Commercial Code, future securities may entitle holders to other equity securities to be issued by the Company and/or by any company which directly or indirectly owns more than half of the Company's capital stock or in which the Company directly or indirectly owns more than half of the capital stock.
2) hereby set the term of this authorization at twenty-six months from the date of this general meeting;
3) The total par value of the shares of common stock to be issued under this authorization shall not exceed €1,400,000, it being specified that the total par value will be further limited to 20% of capital stock per year.
   The par value of any shares of common stock issued in the future to safeguard the rights of holders of securities giving access to the Company's capital stock shall be added to this cap in accordance with the law and any contractual requirements providing for other adjustments.
   This cap is independent of all other caps under other resolutions of this general meeting.
   The par value of the debt securities which may be issued pursuant to this authorization may not exceed €50 million.
   This cap is independent of all other caps under other resolutions of this general meeting.
4) hereby resolve to remove the preferential subscription right of shareholders to shares of common stock and securities giving access to capital stock and/or debt securities covered in this resolution;
5) hereby resolve that the sum payable to the Company for all shares of common stock issued under this authorization, after taking into account the issue price of any standalone equity warrants issued, will be no less than the applicable statutory and regulatory minimum as of the date when the Board of Directors implements the authorization;
6) hereby resolve that if the subscriptions do not account for the entire issue referred to under 1/ above, the Board of Directors may:
   - limit the total issue value to the amount of the subscriptions, on the understanding that, in the event of issuing shares of common stock or securities giving access to capital stock where the primary security is a share, subscriptions must amount to at least three quarters of the resolved issue value for this limitation to be valid;
   - distribute any or all unsubscribed securities at its own discretion;
7) hereby resolve to grant the Board of Directors, within the limits set out above, with the option to further delegate, the necessary powers to set the issue terms and conditions, and, if applicable, record the completion of the capital increases arising therefrom, amend the bylaws accordingly, decide or not to charge the cost of capital increases against any premium on issue related thereto and deduct from this value the amount required to increase the statutory reserve to one-tenth of the new capital stock after each share issue and generally take all steps that are necessary;
8) take note that this authorization cancels any prior authorization having the same purpose.

Nineteenth Resolution - Procedures for setting the subscription price when issuing shares without preferential subscription rights capped at 10% of capital stock per year

The shareholders at the general meeting, having reviewed the report of the Board of Directors and the statutory auditors' special report and in accordance with Article L. 225-136-1, paragraph 2, of the French Commercial Code, hereby authorize the Board of Directors having decided to issue shares of common stock or securities giving access to capital stock under the seventeenth and eighteenth resolutions hereto, to deviate from the price setting requirements specified in said resolutions and, subject to a maximum 10% of capital stock per year, to set the issue price of future fungible equity securities as follows:

- At the discretion of the Board of Directors, the issue price of the fungible equity securities to be issued immediately or subsequently may not be less than:
  - either the weighted average share price of the last three trading sessions preceding the share price determination less a potential maximum 15% discount,
  - or the average share price over five consecutive trading sessions selected from the last thirty sessions preceding the share price determination less a potential maximum 10% discount.

Twentieth Resolution - Authorization to increase the issue amount in the event of over-subscription

The shareholders at the general meeting, having reviewed the report of the Board of Directors and the statutory auditors' special report:

1) hereby resolve that, for each issue of shares of common stock or securities giving access to capital stock under the sixteenth to eighteenth resolutions hereto, the number of securities to be issued may be increased under conditions laid down in Articles L. 225-135-1 and R. 225-118 of the French Commercial Code and subject to a cap set by the general meeting, in the event of over-subscription recognized by the Board of Directors;
2) hereby set the term of this authorization at twenty-six months from the date of this general meeting.

Twenty-first Resolution - Authorization to be granted to the Board of Directors to increase capital stock by issuing shares of common stock and/or securities giving access to capital, up to 10% of the capital, in consideration for non-cash transfers received of securities or securities giving access to capital stock

The shareholders at the general meeting, having reviewed the reports of the Board of Directors and the statutory auditors and in accordance with Articles L. 225-129-4, L. 225-147 and L. 228-92 of the French Commercial Code:

1) hereby authorize the Board of Directors, having received a report from the independent accountant for the transaction, to issue shares of common stock or securities giving access to shares of common stock in consideration for non-cash asset transfers to the Company comprising shares or securities giving access to capital if the provisions of Article L. 225-148 of the French Commercial Code are not applicable;
2) hereby set the term of this authorization at twenty-six months from the date of this general meeting;
3) hereby resolve that the total par value of all shares of common stock that may be issued pursuant to this authorization shall not exceed 10% of the capital as of this general meeting date, excluding the par value of future shares of common stock issued to safeguard the rights of holders of securities giving access to the Company's capital in accordance with the law and any contractual stipulations providing for other adjustments. This cap is independent of all other caps under other resolutions of this general meeting;
4) delegate all powers to the Board of Directors, with the option to further delegate, to approve the assessment of the transfers, to decide on the resulting share issue, to record the completion thereof, to charge the full costs and fees of the share issue against any transfer premium and to deduct from this value the amount required to increase the statutory reserve to one-tenth of the new capital stock after each share issue, to amend the bylaws accordingly and generally to take all steps that are necessary;
5) take note that this authorization cancels any prior authorization having the same purpose.

Twenty-second Resolution - Authorization to be given to the Board of Directors to grant stock options to employees (and/or certain corporate officers)

The shareholders at the general meeting, having reviewed the report of the Board of Directors and the statutory auditors' special report:

1) hereby authorize the Board of Directors, pursuant to the provisions of Article L. 225-129-4 and Articles L. 225-177 to L. 225-185 of the French Commercial Code, to grant, on one or more occasions and in favor of the beneficiaries mentioned below, options entitling each holder to subscribe for new Company shares as part of a capital increase, or to purchase existing shares in the Company arising from purchases carried under the conditions provided for by law;
2) hereby set the term of this authorization at thirty-eight months from the date of this general meeting;
3) hereby resolve that the beneficiaries of these options may only be:
   - firstly, the employees or certain employees, or certain categories of staff of ID Logistics Group SA and, where applicable, of companies or economic interest groupings related to it in accordance with the conditions of Article L. 225-180 of the French Commercial Code;
   - secondly, those corporate officers that meet the terms and conditions set out under Article L. 225-185 of the French Commercial Code.
4) The total number of options that may be granted by the Board of Directors under this authorization will not grant the right to subscribe for or purchase a number of shares that exceeds 3% of the capital stock existing as of the date of this general meeting;
5) hereby resolve that the price of subscription and/or purchase of the shares by the beneficiaries will be determined on the date that the options are granted by the Board of Directors, and may not be less than the minimum price determined by applicable statutory provisions;
6) hereby resolve that no option may be granted:
   - within ten trading sessions preceding and following the date on which the consolidated financial statements are published,
   - within the period of time between i) the date on which the Company's managing bodies become aware of any information that, should it be made public, could have a significant impact on the price of the Company's shares, and ii) the date following the ten trading sessions after the date on which said information was made public, or
   - fewer than twenty trading sessions after the detachment of a coupon entitling shareholders to a dividend or capital increase;
7) formally note that the present authorization entails, in favor of the beneficiaries of share subscription options, the shareholders' express waiver of their preferential subscription right to shares which will be issued as and when the options are exercised;
8) hereby delegate all powers to the Board of Directors, with the option to further delegate, to determine the remaining terms, conditions and procedures for the granting of options and their exercise, in particular to:
   - set the terms and conditions under which the options will be granted and approve the list or categories of beneficiaries as provided for above; set, where applicable, the seniority conditions that said beneficiaries must meet; determine the terms and conditions under which the price and number of shares will need to be adjusted, in particular in the cases provided for under Articles R. 225-137 to R. 225-142 of the French Commercial Code;
   - determine the period or periods of exercise of the options granted, on the understanding that the term of the options may not exceed a period of 10 years as from the date they are granted;
   - grant the right to temporarily suspend the exercise of the options for a maximum period of three months in the event that financial transactions are carried out involving the exercise of a right attached to the shares;
   - complete or procure the completion of all necessary acts, deeds and formalities so as to render definitive any share issue or issues that may be carried out under the authorization covered by this resolution; amend the bylaws accordingly and generally do all that may be necessary;
   - at its sole discretion, if it sees fit, charge the costs of the share issues against any related premiums and deduct from this amount the sums required to increase the statutory reserve to one tenth of the new capital stock after each share issue;
9) take note that this authorization cancels any prior authorization having the same purpose.

Twenty-third resolution - Authorization to be given to the Board of Directors to grant bonus shares to employees (and/or certain corporate officers)

The shareholders at the general meeting, having reviewed the Board of Directors' report and the statutory auditors' special report, hereby authorize the Board of Directors to grant new or existing shares of common stock, on one or more occasions and in accordance with Articles L. 225-129-4, L. 225-197-1 and L. 225-197-2 of the French Commercial Code, to:

- employees of the Company or of companies directly or indirectly related to it as defined under Article L. 225-197-2 of the French Commercial Code;
- and/or corporate officers that fulfill the terms and conditions set out under Article L. 225-197-1 of the French Commercial Code.

The total number of bonus shares thus granted cannot exceed 3% of the capital stock on the date such grant is decided by the Board of Directors.

Each time the Board of Directors decides to grant bonus shares, the Board shall determine the vesting period, i.e. the period at the end of which the shares are definitively vested, in accordance with the applicable statutory terms and conditions. The vesting period may not be shorter than one year as of the date on which the shares are granted.

Each time the Board of Directors decides to grant bonus shares, the Board shall determine, in accordance with the applicable statutory terms and conditions, the obligatory lock-in period of Company stock for the beneficiaries, beginning on the date on which the shares are definitively vested. The lock-in period may not be less than one year. However, in the event that the vesting period is equal to or greater than two years, the lock-in period may be canceled by the Board of Directors.

By way of exception, the shares will be definitively vested before the expiry of the vesting period in the event that the beneficiary suffers a 2nd or 3rd category disability, pursuant to Article 341-4 of the French Social Security Code.

Existing shares that may be granted under the present resolution must be purchased by the Company, either in accordance with Article L. 225-208 of the French Commercial Code, or, where applicable, as part of the share buyback program authorized by the thirteenth ordinary resolution adopted by this general meeting, in accordance with Article L. 225-209 of the French Commercial Code or with any share buyback program applicable before or after the adoption hereof.

The shareholders at the general meeting hereby take note and resolve, in the event of the granting of new bonus shares, that this authorization entails, in favor of the beneficiaries of shares of common stock to be issued, the shareholders' waiver of their preferential subscription right to shares of common stock that will be issued as and when shares are definitively vested, and will entail, where applicable at the expiry of the vesting period, a capital increase by way of capitalization of reserves, retained earnings or additional paid-in capital, in favor of the beneficiaries of said bonus shares, as well as the corresponding shareholders' waiver, in favor of the beneficiaries of bonus shares granted, of their right to the portion of reserves, retained earnings and additional paid-in capital thus capitalized.

The Board of Directors is hereby vested, with the option to further delegate, with full powers to:

- set the terms and conditions and, where applicable, the criteria for allocating shares;
- determine the identity of the beneficiaries as well as the number of shares to be granted to each of them;
- determine the impact on beneficiaries' rights of any transactions that modify the capital stock or that are likely to affect the value of the shares granted, carried out during the vesting or lock-in periods and, accordingly, amend or adjust, should it be required, the number of shares granted so as to protect the beneficiaries' rights;
- determine, within the limits set out hereunder, the duration of the vesting period and, where applicable, the lock-in period for the bonus shares;
- where applicable, to:
  - verify that sufficient reserves exist and, upon each share allocation, transfer to a non-distributable reserve account any amounts required to fully pay up the new shares to be granted;
  - decide on, when required, the capital increase(s) to be carried out by way of capitalization of reserves, additional paid-in capital or retained earnings for the purpose of issuing new bonus shares, on the understanding that the amount of such capital increase(s) shall not be deducted from the cap applicable to the delegation of authority to increase the capital stock by way of capitalization of reserves granted by this meeting;
  - purchase the requisite shares under the share buyback program and assign them to the bonus share plan;
  - take any and all appropriate measures to ensure beneficiaries' compliance with the required lock-in period;
  - and, generally take all steps that may be required by applicable legislation or by the implementation of this authorization.

The term of this authorization is set at thirty-eight months from the date of this general meeting.

This authorization cancels any prior authorization having the same purpose.

Twenty-fourth Resolution - Authorization to be granted to the Board of Directors to increase capital stock by issuing shares of common stock and/or securities giving access to capital stock without preferential subscription right to members of a company savings plan pursuant to Articles L. 3332-18 et seq. of the French Labor Code

The shareholders at the general meeting, having reviewed the report of the Board of Directors and the statutory auditors' special report and pursuant to Articles L. 225-129-4, L. 225-129-6, L. 225-138-1 and L. 228-92 of the French Commercial Code and Articles L. 3332-18 et seq. of the French Labor Code:

1) hereby authorize the Board of Directors, if it sees fit and at its sole discretion, to increase the capital stock on one or more occasions by issuing Company common shares or securities giving access to future equity securities of the Company to members of one or more company or group savings plans set up by the Company and/or its French or foreign related companies pursuant to Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code;
2) cancel, in favor of such persons, the preferential subscription right for shares that may be issued pursuant to this authorization;
3) hereby set the term of this authorization at twenty-six months from the date of this general meeting;
4) cap the par value of any capital increases carried out under this authorization at 3% of post-issue capital stock as of the date when the Board of Directors decides to carry out this increase, said cap being independent of all other authorized capital increase caps. Where applicable, the additional amount of common shares issued in the future to safeguard the rights of

holders of securities giving access to the Company's capital stock shall be added to this cap in accordance with the law and any contractual requirements providing for other adjustments;

5) hereby resolve, pursuant to paragraph 1) of this authorization, that the future share price may not vary, up or down, by more than 20%, or 30% when the plan lock-in period in accordance with Articles L. 3332-25 and L. 3332-26 of the French Labor Code is at least ten years**,** from the average opening share price during the twenty trading sessions preceding the Board of Directors' decision to increase the capital and issue shares accordingly;
6) hereby resolve, pursuant to the provisions of Article L. 3332-21 of the French Labor Code, that the Board of Directors may allot free of charge future or existing shares, or securities giving access to the Company's future or existing capital stock, to the beneficiaries specified in paragraph 1) above, in order to (i) provide an employer contribution pursuant to regulations governing company or group savings schemes, and/or (ii) provide for a discount if appropriate;
7) take note that this authorization cancels any prior authorization having the same purpose.

The Board of Directors may or may not implement this authorization, take all steps and carry out any necessary formalities, with the option to further delegate same.

Twenty-fifth Resolution - Authorization to be granted to the Board of Directors to issue equity warrants ("BSA"), warrants to subscribe for and/or purchase new and/or existing shares ("BSAANE") and/or redeemable warrants to subscribe for and/or purchase new and/or existing shares ("BSAAR") without preferential subscription right, to a specific category of persons

The shareholders at the general meeting, having reviewed the report of the Board of Directors and the statutory auditors' special report and in accordance with Articles L. 225-129-2, L. 225-138 and L. 228-91 of the French Commercial Code:

1) hereby delegate to the Board of Directors their power, on one or more occasions, in the proportions and at such times as it shall see fit, both in France and abroad, to issue equity warrants ("BSA"), warrants to subscribe for and/or purchase new and/or existing shares ("BSAANE") and/or redeemable warrants to subscribe for and/or purchase new and/or existing shares ("BSAAR"), without preferential subscription right, to a specific category of persons;
2) hereby set the term of this authorization at eighteen months from the date of this general meeting;
3) hereby resolve that the total par value of the shares to which the holders of warrants issued under this authorization shall be entitled may not exceed €290,000. The par value of any shares of common stock issued in the future to safeguard the rights of holders of BSAs, BSAANEs and/or BSAARs shall be added to this cap in accordance with the law and any contractual requirements providing for other adjustments. This cap is independent of all other caps under other resolutions of this general meeting;
4) hereby resolve that the subscription and/or purchase price of shares to which warrant holders shall be entitled, after taking account of the warrant issue price, shall be no less than the average closing price of the ID Logistics Group share weighted by volume for the forty trading sessions preceding the date of the decision to issue the warrants;
5) hereby resolve to cancel the shareholders' preferential subscription right to future BSAs, BSAANEs and BSAARs in favor of the following category of persons: corporate officers and/or employees of the Company and/or of a Company subsidiary, as defined under Article L. 233-3 of the French Commercial Code;
6) note that this authorization requires the shareholders to waive their preferential subscription right to Company shares that may be issued to BSA, BSAANE and/or BSAAR warrant holders on exercise;
7) hereby resolve that if the subscriptions do not account for an entire issue of BSAs, BSAANEs and/or BSAARs, the Board of Directors may:
    - limit the total issue value to the amount of the subscriptions;
    - distribute any or all unsubscribed BSAs, BSAANEs and/or BSAARs at its own discretion among the aforementioned category of persons;
8) hereby resolve that the Board of Directors will have all necessary powers, under statutory conditions and as stated above, to issue BSAs, BSAANEs and/or BSAARs and:
    - determine the specific list of beneficiaries within the aforementioned category of persons, the type and number of warrants to be granted to each beneficiary, the number of shares corresponding to each warrant, the warrant issue price and the subscription and/or purchase price of the shares to which warrant holders are entitled under the conditions set out above, where the issue price for the warrants shall be determined in accordance with market conditions and expert valuation, warrant subscription and exercise conditions and deadlines, their adjustment procedures, and generally determine all issue terms and conditions;
    - draw up a supplementary report describing the final terms of the issue;
    - purchase the requisite shares under the share buyback program and assign them to the warrant plan;
    - carry out the share issue arising from the exercise of BSAs, BSAANEs and/or BSAARs and amend the bylaws accordingly;
    - on its sole initiative, charge the costs of the share issues against any related premium on issue and deduct from this value the amount required to increase the statutory reserve to one-tenth of the new capital stock after each share issue;
    - sub-delegate to the Chief Executive Officer powers required to carry out the share issue and comply with the applicable limits, in accordance with any procedures determined in advance by the Board of Directors;
    - and generally do everything that is necessary in such matters.

The general meeting takes note that this authorization cancels any prior authorization having the same purpose.

Twenty-sixth Resolution – Amendment to Article 11 "Rights and obligations attaching to shares" of the Company's bylaws

The shareholders at the general meeting, having reviewed the report of the Board of Directors, hereby resolve to add an eighth paragraph to Article 11 "Rights and obligations attaching to shares" of the Company's bylaws, in order to set out the voting

procedures in the event of a division of share ownership pursuant to Article 787 B of the French General Tax Code as follows, with the rest of the article remaining unchanged:
"In case of the division of ownership of a share, the voting right shall be allocated as follows:

- *when the legal owner benefits, upon the transfer of legal ownership where beneficial ownership is retained by the donor, from provisions relating to the partial exemption, as provided in Article 787 B of the French General Tax Code, the voting right shall belong to the beneficial owner for decisions concerning the appropriation of earnings and to the legal owner for all other decisions.*
  This division of rights shall apply without any time limit.
  To ensure that it is enforced, this division of voting rights between legal and beneficial owners shall be specified on the account in which their shares are registered.
- *in other cases, the voting right shall belong to the beneficial owner at Ordinary General Meetings and to the legal owner at Extraordinary General Meetings."*

Twenty-seventh Resolution - Authorization to be granted to the Board of Directors to bring the Company bylaws into compliance with statutory and regulatory provisions

The shareholders at the general meeting, having reviewed the report of the Board of Directors, hereby grant full powers to the Board of Directors to bring the Company bylaws into compliance with statutory and regulatory provisions, provided that the corresponding amendments are ratified by the next extraordinary general meeting.

Twenty-eighth Resolution - Powers for formalities

The shareholders at the general meeting hereby grant full powers to the bearer of a copy of or excerpt from the minutes of this meeting to complete all filing and publication formalities required by law.

7/ PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

7 PERSONS RESPONSIBLE

7.1 PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

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

7.2 STATEMENT OF THE PERSON RESPONSIBLE FOR THE DOCUMENT

I hereby certify, having taken all reasonable measures to this effect, that the information contained in this Registration Document is, to the best of my knowledge, in accordance with the facts and makes no omission likely to affect its import.

I hereby certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities, financial position and earnings of the Company and all the entities included in the consolidation, and that the management report presents a fair review of the development of the business, earnings and financial position of the Company and all the entities included in the consolidation, and that it sets out the main risks and uncertainties to which they are exposed.

I have received from the statutory auditors an audit completion letter in which they state that they have verified the information relating to the financial position and the financial statements provided in the Registration Document and have read the Registration Document in its entirety.

Eric Hémar
Chairman and CEO

7.3 PERSONS RESPONSIBLE FOR FINANCIAL REPORTING

Mr. Yann Perot
Chief Financial Officer
Address: 55 chemin des Engranauds - CS 20040 – 13660 Orgon
Telephone: +33 (0)4 42 11 06 00
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8/ CROSS-REFERENCE TABLES

8 CROSS-REFERENCE TABLES

In order to facilitate the reading of this annual report in the form of a registration document, the cross-reference table given below allows readers to identify the main information provided under Annex I of European Regulation 809/2004 implementing Directive 2003/71/EC. (n/a: not applicable).

In order to facilitate the reading of this document, the cross-reference table below allows readers to find compulsory disclosures for listed companies pursuant to Articles L 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulation of the French financial markets authority, in this Registration Document. The table also specifies chapters that cover "regulated information" as defined by Article 221-1 of the General Regulation of the French financial markets authority.

2018 FINANCIAL REPORT

	Chapter
1. PARENT COMPANY FINANCIAL STATEMENTS	4.9.2
2. CONSOLIDATED FINANCIAL STATEMENTS	4.8.1
3. MANAGEMENT REPORT (AS SPECIFIED UNDER THE FRENCH MONETARY AND FINANCIAL CODE)	
3.1 INFORMATION CONTAINED IN ARTICLE L 225-100-1 OF THE FRENCH COMMERCIAL CODE	
· Analysis of business trends	4.2, 4.3, 4.4, 4.9.1
· Analysis of results	4.2, 4.3, 4.4, 4.9.1
. Analysis of financial position	4.2, 4.3, 4.4, 4.9.1
. Main risks and uncertainties	2
. Key financial and non-financial performance indicators	1.13
. Information on financial risks relating to the impacts of climate change and the presentation of measures taken by the Company in order to reduce said risks, by implementing a low-carbon strategy in all areas of its business;	1.13.2
. Main features of internal control and risk management procedures;	3.2
. Information on its objectives and policy regarding hedging of each main type of transaction for which hedge accounting is used, as well as its exposure to price, credit, liquidity and cash flow risks.	2.3
3.2 INFORMATION CONTAINED IN ARTICLE L 225-211 OF THE FRENCH COMMERCIAL CODE	
· Buyback of Company shares	5.2
3.3 BOARD OF DIRECTORS CORPORATE GOVERNANCE REPORT	3.1
4. STATEMENT OF PERSONS RESPONSIBLE FOR THE ANNUAL	
FINANCIAL REPORT	7
5. STATUTORY AUDITORS' REPORT ON THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS (including the statutory auditors' report on the Board's corporate governance report)	4.8.2, 4.9.3
OTHER INFORMATION	
DISCLOSURES OF THE STATUTORY AUDITORS' FEES	3.4.3
DESCRIPTION OF SHARE BUYBACK PROGRAM	5.2

In order to facilitate the reading of this document, the cross-reference table below allows readers to find management report information in this Registration Document. It is also indicates the chapters corresponding to the documents attached to the management report.

MANAGEMENT REPORT	**Chapter**
Objective and exhaustive analysis of the Company's business operations, earnings, financial position including level of debt, volume and complexity of business, including any non-financial key performance indicators relating to the Company's specific operations, including environmental and employee matters. Where applicable, this analysis contains references to amounts given in the financial statements and additional explanations.	4.2, 4.3, 4.4, 4.9
The Company's position and business during the fiscal year ended	4.2, 4.4
Forecasts	4.14
Key post balance sheet events	4.14
Intercompany cash loan and related statutory auditors' report	n/a
Branch offices	n/a
Acquisition of equity interests of 5%, 10%, 20%, 33.33%, 50% and 66.66% of the capital or voting rights, or control	4.9.1
Research and development activities	1.11
Activity of subsidiaries and equity investments by business sector	4.2
Status of employee shareholdings as of the balance sheet date and the proportion of capital held by employees, including stock held by a PEE (French corporate savings plan) or FCPE (company mutual fund)	1.13.2
For companies operating at least one SEVESO facility: Information on the company's technological accident risk prevention policy, Information on the company's ability to meet its property and personal civil liabilities arising from operating such facilities, Details on the company's resources to compensate victims in cases of technological accidents for which it may be liable	n/a
Treasury shares and interlocking investments: identities of controlled companies holding Company stock and equity interest held	n/a
Notice of holding more than 10% of the capital of another joint stock corporation. Rectification of interlocking investments	n/a
Dividends distributed in respect of the last three fiscal years and amount of distributed earnings eligible and non-eligible for tax allowances broken down by category of stock	4.7.1
Expenses not deductible for tax purposes	4.9.1
Number of shares purchased and sold during the year pursuant to Article L 225-209 of the French Commercial Code, including the average purchase and sales prices, the value of transaction costs, the number of treasury shares held at the balance sheet date, their value at purchase price, their par value for each of the objectives, the number of shares used, any reissues of treasury shares and the proportion of capital they represent	5.2
Any injunctions or financial penalties imposed by the French Competition Council for anti-competitive practices	n/a
Details of calculation and results of changing the bases for exercise of stock options and warrants in the case of rights issues, bonus share issues, distribution of reserves or additional paid-in capital, change in the distribution of earnings or reduction in capital	n/a
Board's choice relating to procedures for corporate officers to hold bonus shares and/or shares resulting from the exercise of stock options	n/a
Information on deadlines for supplier payments	4.9.1
Description of principal risks and contingencies	2
Indications on the Company's use of financial instruments	n/a
Indications on the Company's use of financial instruments	n/a
Information on the manner in which the Company takes into account the social and environmental consequences of its operations	1.13
Social commitments promoting non-discrimination, diversity and sustainable development	1.13
Information on financial risks relating to the impacts of climate change and the presentation of measures taken by the Company in order to reduce said risks, by implementing a low-carbon strategy in all areas of its business	1.13
Main features of internal control and risk management procedures implemented by the Company relating to the preparation and processing of accounting and financial information	3.2
Safeguard measures for identifying risks and preventing serious breaches of human rights and fundamental liberties as well as serious damage to personal health and safety and the environment	3.3
Details of calculation and results of adjustments to the bases for the exercise of stock options in the case of a Company buyback of its own shares at a price higher than the listed price	n/a

Details of calculation and results of adjustments to the bases of securities giving access to the capital in the case of a Company buyback of its own shares at a price higher than the listed price	n/a
Information on risks incurred in case of changes to interest rates, exchange rates or stock prices	2.3
Reference to Dutreil Act lock-in agreements	3.1.1
Quantified information on the impact of the transition to IFRS	n/a
Summary of directors' securities transactions	3.1.1
Identity of persons directly or indirectly holding more than 5%, 10%, 15%, 20%, 25%, 33.33%, 50%, 66.66%, 90% or 95% of the capital or voting rights	3.1.1
Documents attached to the management report	
Table of earnings for the last five fiscal years	4.9.4
Board of Directors' report on corporate governance	3.1
• Summary of current powers in respect of capital increases; exercise of such authority during the year	3.1.1
• Composition and conditions for preparing and organizing the work of the Board of Directors	3.1.3
• Application of the gender balance principle on the Board	3.1.3
• Description of diversity policy applied to Board of Directors members considering criteria such as age, gender, or professional qualifications and experience, with a description of the objectives of such policy, its implementation methodology and the results during the fiscal year	n/a
• Restrictions imposed by the Board of Directors on the powers of the Chief Executive Officer	3.1.3
• Declaration regarding the corporate governance code adopted by the Company and reasons for which any provisions may have been disregarded	3.1.2
• List of offices and functions exercised in all companies by each corporate officer during the fiscal year	3.1.3
• Choice made of one of the two general management methods, if changed	n/a
• Breakdown of the elements of remuneration set out under Article L. 225-37-2, paragraph 1 (principles and criteria for calculating, allocating and assigning the fixed, variable and exceptional elements comprising the total remuneration and benefits of all kind to be awarded to the Chairman and CEO in respect of his corporate office)	3.1.5
• Statement that the payment of variable and exceptional remuneration attributable to the Chairman and Chief Executive Officer and Deputy Chief Executive Officer, in respect of their corporate office, is subject to the ordinary general meeting's approval of the remuneration package awarded to the Chairman and Chief Executive Officer and Deputy Chief Executive Officer, under the conditions set out in Article L. 225-100 of the French Commercial Code	3.1.5
• Draft resolution prepared by the Board of Directors pursuant to Article L. 225-37-2 of the French Commercial Code	3.1.5, 6.2
• Total remuneration and benefits in kind paid by the Company, companies that it controls and the company that controls it, during 2018, to each corporate officer (description including a breakdown of the fixed, variable and exceptional elements comprising such remuneration and benefits in kind, as well as criteria used to calculate them or the circumstances under which they were awarded, with reference to any resolutions passed pursuant to the provisions of Article L. 225-37-2 of the French Commercial Code)	3.1.5
• Where relevant, statement that the provisions of the second paragraph of Article L. 225-45 of the French Commercial Code have been applied	n/a
• Statement of commitments of any kind made in favor of the corporate officers, corresponding to elements of remuneration, compensation or benefits owed or liable to be owed, due to the assumption of, resignation from or change in their duties or following the exercise thereof, and in particular pension commitments and other annuities	3.1.5
• Agreements entered into, directly or via an intermediary, between i) one of the corporate officers or shareholders holding more than 10% of the voting rights in the Company and ii) another company holding, directly or indirectly, over half of the capital stock, with the exception of agreements covering ordinary transactions entered into on an arm's length basis	3.1.7
• Provisions of the Company bylaws concerning shareholder participation at general meetings (Specific procedures for shareholder participation at general meetings or bylaw provisions providing for such procedures)	3.1.8
• Items likely to have an impact in the event of a public takeover bid	3.1.9
• Report on the principles and criteria for determining, allocating and awarding elements of remuneration attributable to the executive corporate officers in respect of their corporate office	3.1.5
• Consolidated statement of non-financial performance	1.13
• Vigilance plan	3.3

In order to facilitate the reading of this document, the cross-reference table below allows readers to locate the CSR information provided for by Article L. 225-1-102-1 of the French Commercial Code in this Registration Document.

CSR INFORMATION	**Registration Document chapter**
1. Staff information	
a) Employment	
- Total headcount and breakdown of staff by gender, age and geographical region	1.12.2
- Hiring and dismissals	1.12.2
- Salaries and pay rises	1.12.2
b) Work organization	1.12.2
- Working time arrangements	1.12.2
- Absenteeism	1.12.2
c) Industrial relations	1.12.2
- Industrial relations, including staff communication, consultation and bargaining procedures	1.12.2
- List of collective employee agreements	1.12.2
d) Health and safety	1.12.2
- Health and safety conditions at work	1.12.2
- Agreements on health and safety at work signed with trade unions or staff representatives	1.12.2
- Industrial accidents, frequency and severity thereof, occupational sickness	1.12.2
e) Training	1.12.2
- Training policies pursued	1.12.2
- Total number of training hours	1.12.2
f) Equal treatment	1.12.2
- Steps taken to promote equal opportunities for men and women	1.12.2
- Measures adopted to promote employment and integration of disabled persons	1.12.2
- Anti-discrimination policy	1.12.2
g) Promotion of and adherence to the ILO fundamental conventions relating to	1.12.2
- Freedom of association and the right to collective bargaining	1.12.2
- Elimination of discrimination in respect of employment and occupation	1.12.2
- Elimination of forced or compulsory labor	1.12.2
- Effective abolition of child labor	1.12.2
	1.12.2
2. Environmental information	1.12.2
a) General environmental policy	
- Company organization with regard to environmental issues, steps taken in relation to environmental assessment and certification	1.12.3
- Staff training and awareness programs regarding protection of the environment	1.12.3
- Resources allocated to the prevention of environmental risks and pollution	1.12.3
- Provisions and guarantees in respect of environmental risks, provided such information is not liable to cause serious harm to the Company in connection with an ongoing dispute	1.12.3
b) Pollution and waste management	1.12.3
- Measures to prevent, reduce or repair serious damage to the environment through atmospheric, water or ground emissions	1.12.3
- Waste prevention, recycling and disposal measures	1.12.3
- Steps taken with regard to noise pollution and all other forms of pollution specific to the Company's operations	1.12.3
- Land use	1.12.3
c) Sustainable use of resources	1.12.3

- Water consumption and supply with regard to local restrictions	1.12.3
- Consumption of raw materials and steps taken to improve efficiency of use	1.12.3
- Energy consumption, steps taken to improve energy efficiency and use of renewable energies	1.12.3
d) Climate change	1.12.3
- Greenhouse gas emissions	1.12.3
- Adaptation to the consequences of climate change	1.12.3
e) Protection of biodiversity	1.12.3
- Steps taken to preserve and enhance biodiversity	1.12.3
	1.12.3
3. Social commitments to promote sustainable development	1.12.4
a) Territorial, social and economic impact of the Company's operations	1.12.4
- On jobs and regional development	1.12.4
- On the local population	1.12.4
b) Relations with stakeholder individuals or organizations affected by the Company's operations, such as social inclusion charities, educational establishments, environment protection organizations, consumer and resident associations	1.12.4
- Conditions of dialog with these stakeholders	1.12.4
- Partnerships and sponsorship	1.12.4
c) Subcontracting and suppliers	1.12.4
- Inclusion of social and environmental factors in the purchasing policy	1.12.4
- Extent of subcontracting and the importance assigned to supplier and subcontractor social and environmental responsibility in relations with these parties	1.12.4
d) Fair practices	1.12.4
- Anti-corruption steps taken	1.12.4
- Measures adopted to promote consumer health and safety	1.12.4
e) Other measures relevant to this section regarding promotion of human rights	1.12.4

APPENDIX 1

GLOSSARY

Automated logistics	Products are carried to operators by self-driving shuttles. Work is carried out in shifts. Stock movements are automated.
CID	A scheme for the certification of best practices which has been gradually rolled out to all Group entities and which enables the Group to guarantee a consistent and high-level operating quality all over the world
Class A, B or C warehouses	• Class A warehouses: multi-function warehouses. Criteria include: height over 9.3m, maneuvering area over 35m deep, 1,000 sqm of wharfing, load-bearing capacity 5 tons per sqm, heating, sprinkler system; • Class B warehouses: warehouses that meet modern standards. Criteria include: height over 7.5m, maneuvering area over 32m deep, 1,500 sqm of wharfing, load-bearing capacity at least 3 tons per sqm, sprinkler system; • Class C warehouses: this category includes all warehouses which do not fall within classes A or B.
"Class A" logistics building	Warehouses with a height of over 9.3m and a maneuvering area over 35m deep. The buildings must also be insulated, heated and equipped with sprinkler systems, with a load-bearing capacity of at least 5 tons per sqm.
Collaborative Consolidation Center (CCC)	Supplier consolidation center
Complex system logistics	All operations are automated. Goods are received in shifts, before being transferred to the automated warehouse via self-driving shuttles. Several tools are used for picking operations (Goods to Man, high-speed sorters, picking stations). Shipment is mechanized or automated.
Connected logistics	Traditional logistics combined with ergonomic and smart handling equipment (quick pick remote picking truck, multi-order put to light, automatic packaging, etc.).
Co-packing	Packaging operation involving the grouping of parts into a batch (special offers, for example) or for shop displays
Cross docking	Organization of transport ensuring that the goods are received from the suppliers and customer orders prepared and shipped on the same day, with zero storage time
Datacenters	Servers for storage and backup of all data (transport flows, inventories, etc.) managed by ID Logistics
EDI/WEB EDI	Electronic Data Interchange: the transfer of information in electronic form either by direct connection or via the internet (WEB EDI)
Engineering	The specific activity of defining, designing and analyzing projects for works, operations, coordination, support or control with a view to the execution and management of such projects
Fast Moving Consumer Goods (FMCG)	Goods that are sold quickly and generally have a low price
Flexible logistics	Traditional logistics (rack, shelving and standard picking truck) combined with digital technologies (ibeacon, video tracking, KPI display)
Freight forwarding	The organization and management of international transport. The freight forwarder acts as an intermediary between its customer and the international transportation operators and organizes the transit arrangements for the transported goods (insurance, customs and administrative formalities, transport solutions, etc.)
Full load	A load that fills the whole vehicle (truck, freight wagon, barge, etc.), by occupying the entire floor space or by its volume or weight, leaving from a single point and delivered to a single customer
GHG	Greenhouse gas
HBA	Health, Beauty & Accessories
IA	Industrial Accident
ICPE	"*Installation Classée pour la Protection de l'Environnement*" – classified facility for the protection of the environment
Kanban	A method of production management of Japanese origin designed to ensure just-in-time procurement by means of a card system. The aim of this method is to adapt the inventory level in accordance with actual and forecast consumption
Key Performance Indicator (KPI)	A set of performance indicators designed to measure the operating quality achieved in relation to a customer contract
Kitting	Putting several items together to form a kit or pack
Mechanized logistics	Warehouse with a "pick & pack" order preparation chain and teams working in shifts.
Mini-load system	An automated compact storage system
Multi-supplier consolidation	The sharing of a warehouse by several suppliers of the same customer. The goods remain the property of the suppliers, which are often too small to be

	able to deliver regularly to retailers at a competitive price. This type of storage guarantees the availability of products to the customer.
Operating Specifications	Describe the entire service and assets to be provided by the Group
Pick-n-Go / Pick and Go	A system combining the classic picking truck, a voice-operated/radio frequency system, a WMS and a laser guiding system operated by means of terminals situated in the warehouse. The system facilitates the handling of goods and the movements of operators.
Psychosocial risks	Principally stress at work
Quality Specifications	Describe the quality commitments undertaken and how they are to be measured
Radio Frequency Identification (RFID)	Technology enabling the remote collection and storage of data
Shared distribution center (EMCA)	The principle of these warehouses involves setting up a regional industrial inventory hosted at a retailer's logistics warehouse with rail access, from which products will be shipped both to the retailer's stores and to warehouses used by other retailers in the sector.
Shipment "per pallet"	A form of shipment and pricing per pallet unit (as opposed to full load)
Shipper	The order issuer of the logistics operator
Supply chain	A term meaning the various suppliers and stages involved in purchasing. The flow of goods and information through logistics processes from the purchase of raw materials to delivery of the finished products to the customer. The supply chain includes all service providers and customers.
Traditional pallet distribution	Transportation, mainly by road, typified by the weight of packages (less than 500 kg) and speed of delivery
Transport Management System (TMS)	A system of transport management enabling providers to manage and plan the customer's transport requirements and to offer optimized integration of the transport organization within its supply chain.
Voice-Picking	A system of order picking controlled by voice recognition. The order picker wears a single ear headset.
Warehouse Management System (WMS)	Warehouse management software