aubay

ahead of innovation

ANNUAL **REPORT**

Abriged version

2018

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I. AUBAY, A DIGITAL SERVICE PROVIDER CREATED IN 1998

In 20 years, as a digital services company Aubay has registered rapid growth allowing it not only to obtain critical size in its markets but also to join the circle of its sector's top-tier companies. Aubay is today the most important French digital services company created after 1998.

Aubay is positioned as a partner in the digital transformation of its customers. This is based on a deliberate and clear choice to intervene at the same time as a consulting and technology services provider over the entire lifecycle of applications. This means that Aubay may be a supplier of innovations, an accelerator of IT scale up, a know-how supplier, Agile coach, a designer of digital solutions, and a supplier of competencies and expertise.

It is important to emphasise that Aubay is not a reseller of equipment or licenses, a software company or an application integrator and does not operate customer IT systems.

This means that revenue is derived solely from services based on the expertise and added value of the company's consultants.

In contrast to many of its competitors, Aubay has chosen to define a compact and homogeneous organisation. Compact because the objective is to consistently work towards a single legal structure per country and homogeneous because the administrative and operational organisation is the same in each country in order to achieve optimal efficiency. As a result, the legal organisation chart is extremely simple and legible, certainly one of the simplest among the companies of the size.

For that same reason, missions are carried out at customer sites under a single brand name: Aubay.

Aubay is listed on Euronext, Compartment B, with a 52.30 % float and a liquidity which is perfectly acceptable for a mid-cap. The analysts following the company are Gilbert Dupont and Société Générale.

II. MANAGEMENT TEAM

Aubay's management team is made up of professionals from the digital sector. They supervise the Group and the operating activities in Europe and are actively involved in its business relations with customers. They develop the strategies which make it possible for Aubay's customers and staff to converge towards a common goal: a service combining excellence and high-performance.

This team of twenty members has been extremely stable since Aubay's creation and is regularly strengthened by the addition of new talent contributing their vision and becoming in turn the engines for future growth.

GROUP EXECUTIVE MANAGEMENT

Christian Aubert
Chair

Philippe Rabasse
Chief Executive Officer

DAVID FUKS
Deputy CEO
Chief Financial Officer

Vincent Gauthier
Deputy CEO
Chief Legal Officer

OPERATIONAL MANAGEMENT

BELGIUM

CHRISTOPHE ANDRIEUX
Deputy CEO

FRANCE

PHILIPPE CORNETTE
Deputy CEO

CHRISTIAN MEUNIER
Managing Partner

ITALY

PAOLO RICCARDI
Chief Executive Officer

LUXEMBOURG

JOEL SANZOT
Chief Executive Officer

SPAIN

GÉRARD LUCENTE
Chief Executive Officer

PORTUGAL

JOAO BEXIGA
Chief Executive Officer

III. A CULTURE OF GROWTH

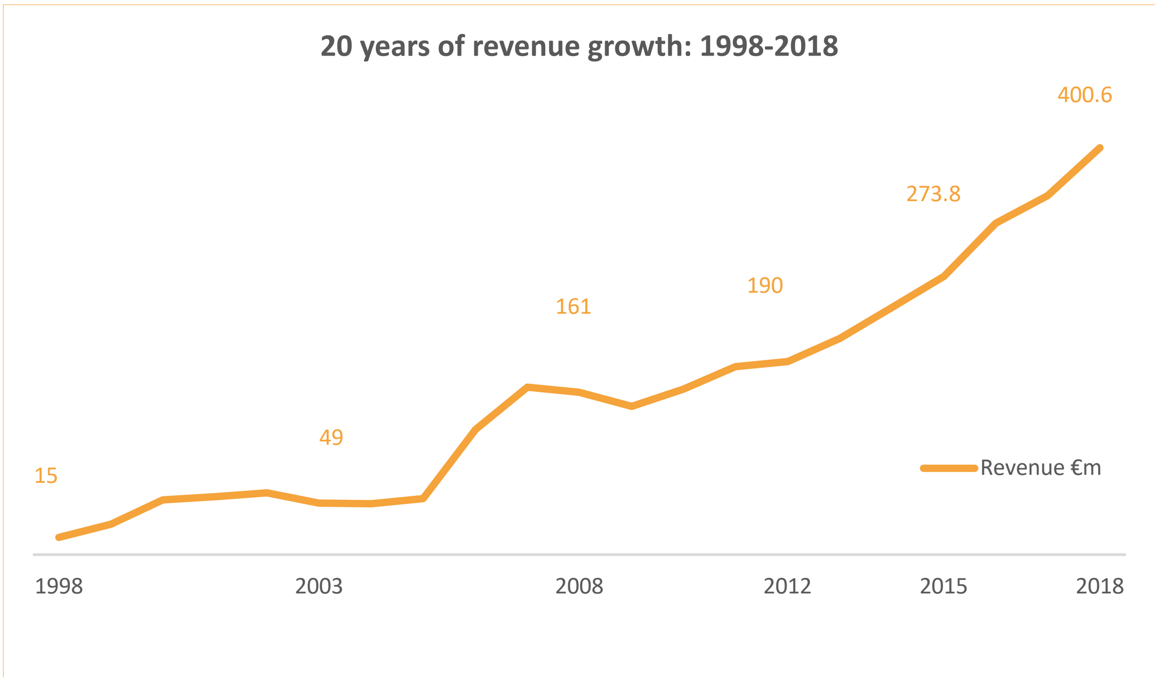
With annual revenue of more than €400 million, 2018 was another year of growth, with a gain of 14.9%, of which organic growth represented 9.3%. The graph below for revenue trends since its creation, highlights steady and sustained gains which is part of Aubay's DNA.

In terms of type of intervention, revenue remains well-balanced between contracts invoiced on a time-spent basis (often corresponding to the different upstream phases of a project during which Aubay provides expertise) and multi-year contracts for more mature applications in the customer asset base (service centre, application maintenance, etc.) offering considerable visibility in general of between 3 and 5 years.

Pure fixed-rate contracts represent a marginal share of Aubay's sales.

Since its creation, the mix between external and organic growth has tended to remain balanced, with the economic environment being the only determining factor. More organic growth when the global economy is strong and more external growth when economic growth is lower.

Aubay has completed 29 acquisitions since 1998 and possesses significant know-how in this area.



IV. A POPULATION OF ENGINEERS

Out of the 6,200 employees who make up Aubay, on a full-time equivalent basis, including subcontractors, approximately 93% are revenue-generating consultants performing missions.

Aubay applies particular care in selecting consultants in terms of competencies, with the underlying goal of delivering the highest quality of service possible. The majority of them have engineering degrees or a degree from a major university.

In the current economic environment, the issue of human resources is decisive. That is why Aubay pays particular attention to the attractiveness of its employer brand in order to recruit the best engineers and offer them fulfilling and innovative projects, and to ensure that its consultants are individually and effectively monitored thereafter. The objective is to provide a space where each person can grow, a convivial environment with a human dimension which is one of Aubay's markers.

Subcontractors represent approximately 14% of the total workforce, a percentage that has remained stable for many years.

V. TOP TIER CUSTOMERS

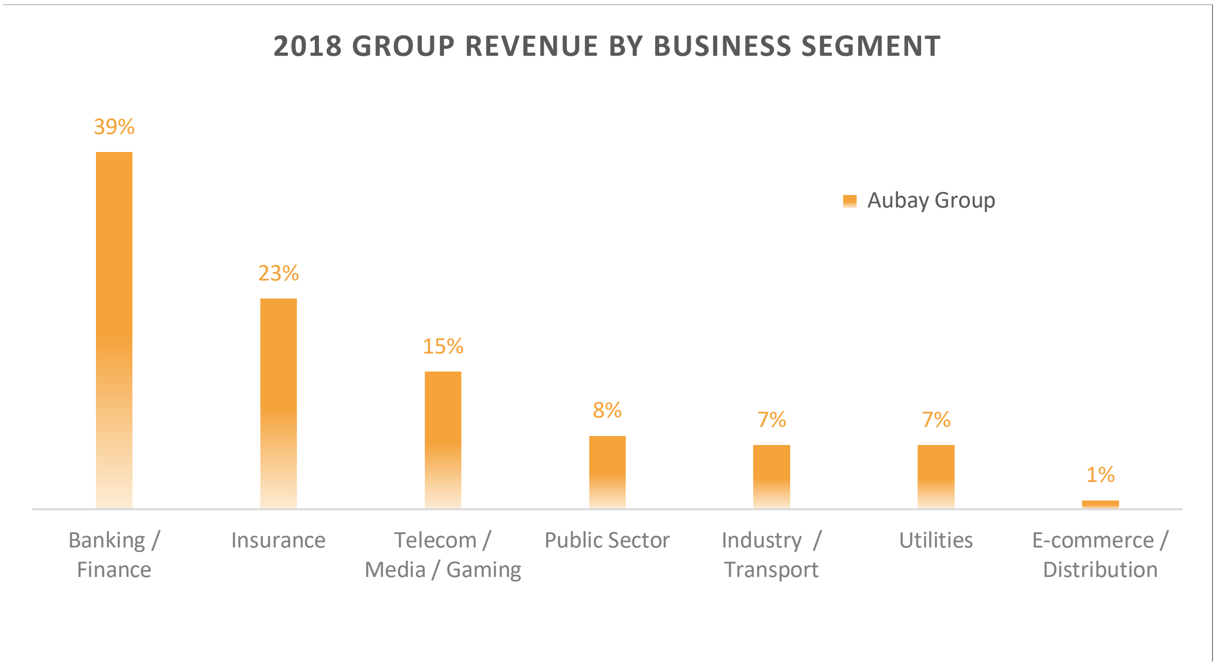
Since its creation, Aubay has chosen to intervene exclusively on behalf of major key accounts. As a result, today it has a unique panel of customer references among these top-tier companies but also strong positions with each.

This choice reflects the aim of working on innovative projects and developing recurrent business. By way of example, below is the list of the top 15 clients who account for 64% of total revenue. It is important to emphasise that each is made up of many entities. For example, if we look at BNP PARIBAS, Aubay's largest customer, interventions are carried out in a non-exhaustive manner, at the retail bank in France, Sit, Personal finance for consumer credit, at the securities custodian BP2S in France and Portugal, the insurer Cardif, at Fortis in Belgium, at BGL in Luxembourg, at BNL in Italy, at BNP CIB in France and Spain…

AUBAY GROUP'S TOP 15 CUSTOMERS

Aubay possesses considerable expertise in the Banking and Insurance sectors, the company's areas of excellence. Over the years, Aubay's coverage of this area has been gradually rebalanced as new acquisitions were completed and new preferred supplier listings were added. The last acquisition in Italy contributed to this rebalancing and has re-established the important place in the business mix of a historical sector of expertise of Aubay: Telecoms. The goal is to amplify this realignment without neglecting the sectors of excellence, by accelerating the development into Utilities, Energy and Industry.

Finally, by choice, Aubay intervenes only marginally in the public sector, mainly in Belgium and Luxembourg for Europe and its satellites.



VI. A EUROPEAN STRATEGY: BEING WHERE OUR CUSTOMERS GO

The choice of countries where we intervene is the results of a simple and pragmatic objective: being present where our key account customers are and are going, to support their geographic expansion.

If we examine the list of the main top-tier customers, Aubay covers 90% of their international presence with the exception of Allianz, where Aubay is not present in Germany.

Nearly 48% of Aubay's revenue comes from outside France.

It should be noted that interventions in each country in most cases address local customers. This is moreover one of the key factors taken into account in the decision to enter a country, namely the existence of a dynamic local market.

In France, the market is concentrated in the greater Paris Ile-de-France region. Aubay also has offices in Nantes and Nice, though does not intend to significantly shift the weight of its activities to the French regions except to service its future industrial customers.

In Spain Aubay has offices in Madrid, Barcelona and Valladolid and with nearly 900 consultants, has increased beyond critical size.

In Portugal, activity is divided between Lisbon and Porto. Growth is strong, reflecting the presence of large international groups and a dynamic global market.

In Italy, following the latest acquisition, Aubay has become a major local player with offices in Rome, Milan, Turin, Bologna, Reggio di calabre.

Finally, Aubay is also present in Belgium (Brussels and Namur), Luxembourg and England (London).

VII. STRONG DIFFERENTIATING FEATURES:

Aubay’s development is driven by the quality of its services and the high level of the expertise and engagement of its consultants, by ensuring that the projects delivered meet the level of performance customers expect.

The Customer thus lies at the heart of its strategy.

The measurement of customer satisfaction is one of the key operational indicators for CRM and used for rapid corrective measures when required.

This commitment to provide the best possible service over time is reflected in the commercial management. From executive management to the commercial teams, all parties at Aubay actively contribute to the customer relationship management process and, in this way, fostering close ties. This is a prerequisite for listening to customers and building and imagining solutions adapted to each.

With this strategy, Aubay has been able to build lasting relationships of confidence exemplified by its track record of never having lost a large customer and for most of them increasing revenue from one year to the next.

VIII. AN AMBITIOUS DEVELOPMENT STRATEGY: A VIRTUOUS GROWTH CYCLE

This development strategy supports the medium-term goal of establishing Aubay as a local benchmark for quality, an alternative to the sector's large players. This objective calls for ambition within the framework of a vision promoting the sound management of company assets, synonymous with sustainable growth.

In geographical terms, the company has chosen to focus its efforts and resources on those countries where it is solidly implanted. The growth potential in these countries is significant. Entering new countries is in consequence not a priority.

In the current positive market environment, the focus has been given to organic growth, strengthening positions with existing customers and adding new preferred supplier listings to create opportunities for future development. Of course, the success of the strategy will depend on the Group positive as ability to recruit.

This strategy, combined with favourable trends for pricing should generate comfortable margins and in consequence, a high net margin. This is another key component of Aubay's DNA: one of the highest levels of profitability of the sector.

On a solid financial footing, Aubay has the resources to exploit the driver of external growth to accelerate its development. In this area Aubay applies the same rigor and is therefore highly selective. The companies acquired must bring with them a complementary and profitable customer portfolio even if not at the same level as Aubay.

The integration follows a fine-tuned process resulting within two years of each acquisition, in a single legal structure, a unified operating and commercial organisation, a return to normalised profitability and missions carried out under a single brand. Aubay.

The result of this process is a virtuous growth cycle.

IX. A GLOBAL AND INNOVATIVE OFFERING

In response to recent technological changes, all players are transforming their models. With the advent of the digital, we have entered a new era rich in prospects and opportunities. Many large companies have put their trust in Aubay whom they have selected to assist them in this transformation as an efficient and responsive partner combining technological expertise and a track record of successful innovation.

Digital offerings now represent 50% of Aubay's revenue in 2018.

The implementation of these offerings is more efficient because it is based on an in-depth knowledge of the customer's historical assets and critical applications;

Aubay teams are in this way able to intervene over the entire application cycle from the transformation through consulting missions to implementation, taking into account all the issues of the Information System;

Within the framework of its global range, Aubay highlights ten offerings which exemplify the fields of excellence available to its customers.

THE 10 AUBAY FIELDS OF EXCELLENCE

AUBAY, DIGITAL INNOVATION AT THE HEART OF BUSINESSES AND IS

MANAGEMENT CONSULTANCY

- Business line expertise
- Operational excellence
- Digital transformation
- Operational assistance

IT AND ARCHITECTURE CONSULTING

- Audits and studying opportunities
- Urbanisation/Enterprise architecture
- Architecture solutions/Digital Programmes
- IT expertise

DIGITAL MARKETING

- Marketing strategy
- Design thinking
- User experience
- User Interface solutions

FAST LAB

- Modelling and Proof of concept
- Minimum Viable Product
- Digital platforms
- Intelligent applications

BIG DATA – DATA INTELLIGENCE

- Data processing pillars
- Organisation of data
- Advanced analytics
- Presentation of analysis

INFRASTRUCTURES - CLOUD & SECURITY

- IT infrastructure
- IT Operations
- IT Service Management
- Cybersecurity

TESTING - QA

- Functional and technical tests
- Automation of testing
- Mobile application testing
- Testing in agile mode

APPLICATION SERVICES

- Multi-technologies
- From functional design to the production phase
- Guaranteeing the performance of your IS
- Tools in the service of performance

STEERING

- Strategic steering
- Operational steering
- Governance project
- Operational efficiency

AGILITY

- Coaching
- Agile Transformation
- Operational Scrum master
- OpDev

2018 GROUP BUSINESS REPORT

I. THE MARKET IN 2018

I.1. Sustained growth in 2018 driven by the digital transformation projects

Syntec Numérique announced growth of 4.1 % in 2018. Growth is sustained by digital transformation projects, and in particular SMACS (Social, Mobile, Analytics, Cloud and Security) technologies which grew 15.4% in 2018.

Companies adopting digital solutions are continuing their transformation. This trend was driven in particular by company investments in Cloud projects (+19%, to €5.2 billion), projects related to data use (+11%, to €3.0 billion), mobility projects (+16%, to €2.8 billion) and security (+10%, to 2.7 billion). As a corollary to this trend of exploiting and monetizing data, companies are continuing to invest in GDPR (General Data Protection Regulation) compliance, a major priority for 60% of companies surveyed at the end of 2018 (compared to 42% one year earlier).

The digital services business (consulting and services) grew 3.3% in 2018.

78 % of digital services companies registered revenue growth in 2018.

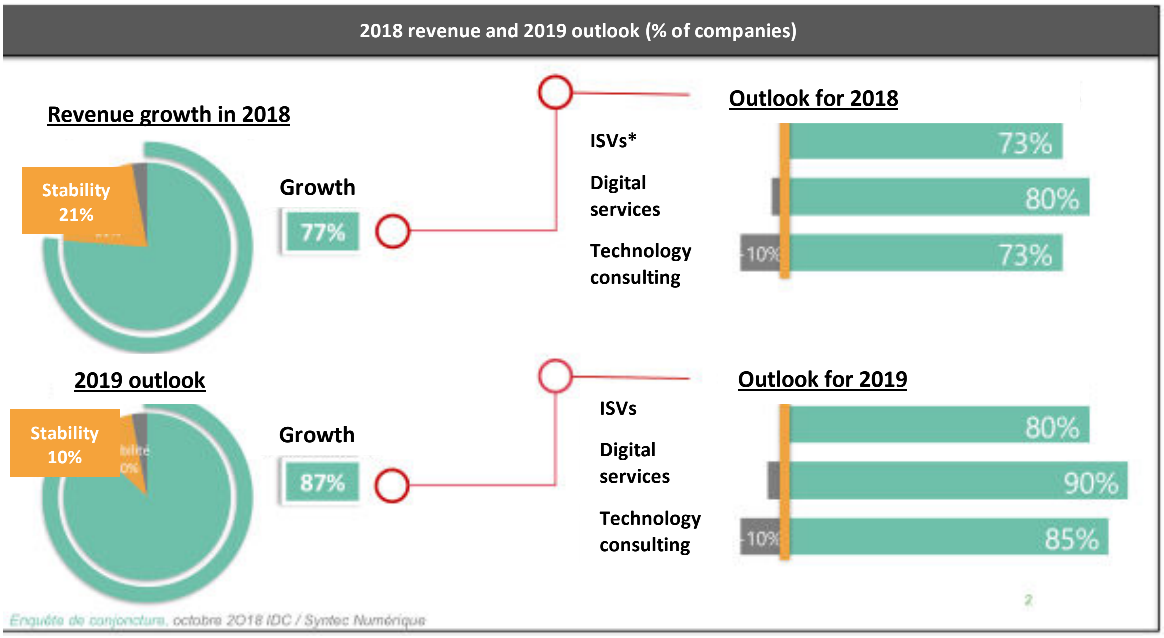
This performance was driven by the introduction of new high value added digital service offerings (such as cyber security and artificial intelligence / cognitive systems). Cloud offerings continued to build momentum, accounting for 17% of total revenue for digital service providers in the integration and consulting sectors in 2018.

SMACS grew 14.4% in 2018 and now represents 19.6% of the digital services market or €6.7 billion.

The "Bank, Insurance & Finance", "Business Services" and "Utilities" are the key drivers of growth for consulting and services.

Digital players are transforming themselves in response to the transformation of their customers.

Digital players are supporting companies in implementing their transformation projects. This support requires that they address the requirements for transformation of their own businesses: the results of the industry survey show that 68% of the sector's companies have initiated their own transformation focused on several levers: revamping their software and service offerings, redefining their internal processes to become more agile, adapting their enterprise culture to promote collaboration and innovation, and adapting the business model of independent software vendors or service providers.



*ISVs: Independent software vendors

In 2019, the market is expected to grow 3.9%

The sector's companies have a favourable outlook for 2019: 87% surveyed are expecting growth in sales. This confidence is shared by companies of the sector regardless of their business line (independent software vendors, digital service providers and technology consulting firms).

Growth is nevertheless expected to remain moderate in 2019 (+3.0%) reflecting changes to the business model of digital service providers: the two market drivers affecting company investments are the decline of global facilities management services and the increasing importance of Cloud-based solutions for companies. Several markets are contributing to the sector's growth:

- **IT and management consulting**: companies invested €4.9 billion in consulting services in France in 2018, fuelling growth of 5.9%. Continuing to be driven by transformation projects, strong above average market growth is expected in 2019 (5.6%).
- **Integration** (systems and network integration), representing spending of €7.7 billion in 2018 (+4.9%), is driven by the operational implementation of transformation projects, the integration of environments within hybrid architectures or mobility projects.
- **Applications management** (€2.6 billion in 2018, +5.7%). The development of a number of digital transformation projects and the implementation of new applications (omni-channel, mobility, business applications, etc.) are driving management service needs for these applications.

Source: IDC/Syntec Numérique

II. 2018 BUSINESS REPORT

Aubay met all the objectives for 2018 set at the beginning of the year and raised with the publication of the half-year results. Aubay once again demonstrated its ability to generate strong growth and outperformed its benchmark market, while improving its profitability. This very good performance was driven by:

- A market remaining buoyant across all business sectors and sustained demand reflecting continuing growth by our main customers throughout the year. In this context, Aubay once again added market share.
- New expertise (Digital Marketing, Big Data, Agility, RPA, etc.) which has met considerable success and is providing new growth drivers.
- A highly efficient commercial organisation placing an emphasis on increasing sales prices, a component of internal growth, and contributing to improving margins.

Annual revenue rose to €400.6 million, up 14.9% from 2017 with 9.3% like-for-like. All the main sectors contributed to this growth in revenue.

At 31 December 2018, after adding 318 employees over the year, the Group had a workforce of 6,166 employees, while maintaining a very high employee activity rate of 93.3%.

With operating profit from ordinary activities of €41.9 million, up 23.5% from 2017, Aubay remains among the most profitable companies of the sector. The Group's operating margin from ordinary activities for the period rose to 11.8% for France and 9.1% for international markets, up from 10.8% and 8.5% in 2017.

II.1. France

Business in France (52% of revenue) registered remarkable performance with 10.2% growth in sales at constant structure accompanied by a significant improvement in the operating margin from ordinary activities of 100 basis points to 11.8%.

II.2. International

All the Group's foreign subsidiaries contributed to 2018's excellent performance. Revenue from international markets grew 20.3%, including 8.2% at constant structure and now accounts for 48% of total Group revenue.

Italy has focused on the integration of the recently acquired business and developing synergies which made it possible to submit proposals to a number of large-scale calls for tender in the telecommunications sector. Significant efforts were also devoted to administrative services in order to improve the invoicing processes and WCR management, in particular for the ongoing business acquired in Q3 2017.

The Iberian Peninsula continued to display strong growth driven by Portugal and the installation of back office operations for large French groups. Spain, with the buyout of the remaining minority interests of Cast-Info, has finalised the process for the legal merger of the two remaining entities. Finally, Belgium/Luxembourg delivered a good performance for the year despite the persistence of challenging market conditions for recruitment.

III. EXTERNAL GROWTH STRATEGY

Aubay has developed a solid track record of expertise over the last 20 years in successfully executing acquisitions and integrating companies. Nearly thirty deals have been finalised and then fully integrated under the common “Aubay” brand. Target companies remain concentrated among those operating in business sectors identical or close to that of Aubay. This excludes equipment trading activities and is based on a prudent approach concerning potential targets whose development has focused on software solutions as opposed to services expertise.

While no acquisition was completed in 2018, the company remains attentive to all opportunities falling within the scope of its potential targets. From a geographical perspective, France, Spain and Italy remain the focus of the attention of Group management. Aubay can count on its extremely solid track record to support its goals for growth through acquisitions while remaining cautious about the potential risks such acquisitions can have on its future.

IV. AN INTEGRATION POLICY FOR ACQUIREES

In the area of M&A, Aubay possesses genuine expertise in successfully integrating such companies and restoring their margins by implementing its management methods.

Companies Aubay acquires are generally fully integrated and merged into legal entities in order to limit their number to the extent possible, and ideally one legal entity per country. All companies in the consolidation scope are destined to intervene under a single shared brand name, Aubay. The continued existence of historical brands may in some cases be justified, according to the geographical regions and notoriety of the acquired companies. In this case, the brand in question is allowed to temporarily coexist alongside the Group’s brand.

2018 SALES BY COUNTRY

V. SIGNIFICANT EVENTS IN 2018

MARCH	Publication of 2017 annual results: €353.6 million in revenue, up 8.4% (of which 6.0% in organic growth)
APRIL	Publication of Q1 2018 revenue €99.5 million, up 15.3%
MAY	Annual General Meeting: distribution of a dividend for FY 2017 of €0.47 per share.
JULY	Publication of Q1 2018 revenue: €197.4 million, up 16.8% (including organic growth of 8.9%) Aubay posted an excellent 2018 second quarter performance, with revenue of €97.9 million, up 18.2%.
SEPTEMBER	Publication of H1 2018 results: The current operating margin amounted to 8.8%. Net profit rose 8.8% to €11.0 million. Based on the Group's excellent half-yearly results and strong prospects, Aubay's Board of Directors approved the payment on 12 November 2018 of an interim dividend of €0.27 per share for 2018.
OCTOBER	Nine-month sales amounted to €291.7 million, up 17.3% (including organic growth of 9.5%), exceeding the Group target range of 7% to 9%.

VI. CONSOLIDATED FINANCIAL INFORMATION

Consolidated financial data at 31/12		2018	2017
Revenue	(€ 000s)	400,579	348,721*
Operating profit from ordinary activities	(€ 000s)	41,894	33,918
Operating margin from ordinary activities (% of sales)		10.5%	9.7%*
Net income	(€ 000s)	27,327	23,937
Net income attributable to the Group	(€ 000s)	27,327	23,937
Earnings per share	€	2.08	1.83
Equity including non-controlling interests	(€ 000s)	165,410	143,862
Cash flow before interest and taxes	(€ 000s)	42,719	34,239
Non-current assets	(€ 000s)	134,498	133,298
(Net debt)- net cash	(€ 000s)	207	(5,568)
Cash and cash equivalents	(€ 000s)	19,519	16,664
Total assets	(€ 000s)	326,696	302,967
(*Restated for IFRS 15)			

VI.1. Consolidated statement of profit or loss

Aubay had annual revenue of €400.6 million in 2018 compared to €348.7 million one year earlier, up 14.9%.

Revenue (€ millions)	**2018**	**2017***	**Change**
1st quarter	99.5	86.2	+15.4%
2nd quarter	97.9	82.8	+18.2%
3rd quarter	94.3	79.6	+18.5%
4rd quarter	108.9	100.1	+8.8%
Total	**400.6**	**348.7**	**+14.9%**

(*Restated for IFRS 15)

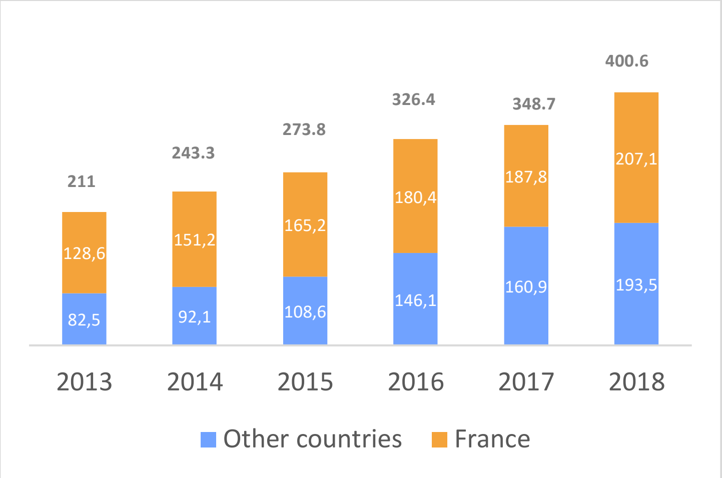
The contribution and growth of the two major geographic segments break down as follows:

€m	31/12/2018	As a % of revenue	12/31/2017*	As a % of revenue	Change	Internal growth
France/UK	207.1	52%	187.8	54%	+10.2%	+10.2%
International	193.5	48%	160.9	46%	+20.3%	+8.2%
Group	400.6	100%	348.7	100%	+14.9%	+9.3%

(*Restated for IFRS 15)

2018 was another year of growth for Aubay Group, with revenue up 14.9% including 9.3% in organic growth, thus exceeding the target of €395 million.

Revenue grew 10.2% in France and 20.3% in international markets which included the contribution of the Italian business acquired in the 2017 fourth quarter. All regions contributed to this performance with the exception of the Belgian/Luxembourg region which registered a marginal decrease.



	31/12/2018		31/12/2017	
			(1)	
€m	Revenue	Operating margin* (%)	Revenue	Operating margin* (%)
Group	400.6	10.5%	348.7	9.7%
France	207.1	11.8%	187.8	10.8%
International	193.5	9.1%	160.9	8.5%

**Operating profit from ordinary activities*

(1) Comparative information presented for 2017 was restated to eliminate the retrospective impact linked to the application of IFRS 15.

Headcount at year-end	31/12/2018	31/12/2017
France	2,510	2,429
International	3,656	3,419
Total	**6,166**	**5,848**

The Group added 318 consultants in 2018 representing an increase of 5.4%. The productivity rate of engineers remains high at 93.3% compared to 93.4% in 2017. At 31 December 2018, the Group had 6,166 employees compared to 5,848 one year earlier.

The Group continued to pursue strong growth while improving its margins and the integration of the less profitable Italian business. Current operating income grew 23.5% to €41,894,000 or 10.5% as a percentage of consolidated revenue compared to €33,918,000 and 9.7% one year earlier. In the second half, the current operating margin reached 12.0%.

Operating expenses amounted to €359.1 million. This included € 272.8 million in staff costs or 68.1% of revenue compared to 68.4% in 2017. Subcontracting costs amounted to €55.2 million or 13.8% of 2018 revenue, largely in line with the previous year.

Other expenses break down as follows:

- €81.1 million for purchases (including subcontracting) and external charges;
- €3.2 million for taxes and related expenses;
- €2.0 million for allowances for depreciation, amortisation and provisions.

Charges linked to restricted share units amounted to €1.5 million in 2018.

Other operating income and expenses represented a net expense of €0.9 million, consisting mainly of restructuring expenses (€0.9 million).

On that basis, operating profit rose 17.4% to €39.5 million compared to €33.7 million in 2017.

Net financial expense amounted to €0.3 million, remaining relatively stable from one year to the other.

Income tax recognised amounted to €11.9 million and represented mainly €12.4 million in current tax (of which €3.2 million in French and Italian regional business taxes). The effective tax rate in 2018 was 30% on a comparable basis with the prior year.

Net income attributed to equity holders of the parent reached another historic high of €27.3 million compared to €23.9 million in 2017 or an increase of 14.2%.

Earnings per share amounted to €2.08 compared to €1.83 in 2017.

VI.2. Analysis of the financial position

Total assets in 2018 amounted to €326.7 million, compared to €303.0 million in 2017. Key changes in the period included:

VI.2.1. At the level of assets

Net trade receivables amounted to €136.4 million, up from €111.7 million one year earlier. The increase in trade receivables reflects in part the strong growth in sales and also the telecommunications activity of the Italian business acquired in October 2017 characterised by longer payment terms than the other business sectors. In consequence, the average number of days sales outstanding (DSO) increased from 81 to 89 days.

Cash and cash equivalents ended the year at a comfortable level of €19.5 million, up from €16.7 million at the end of 2017.

VI.2.2. At the level of liabilities

Net equity amounted to €165.4 million, up €21.5 million from the previous period, reflecting primarily:

- recognition of €27.3 million in net income,
- the payment of €6.7 million in dividends to shareholders,

It should be noted that there are no longer non-controlling interests in the Group.

Gross financial debt amounted to €19.3 million compared to €22.2 million in 2017. On that basis, in light of cash and cash equivalents, the net cash position was at breakeven compared to a net debt position of €5.6 million one year earlier and €10.9 million at 30 June 2018.

Cash flow amounted to €42.7 million, representing 10.7% of revenue. After tax and the change in working capital, cash flows from operating activities amounted to €17.4 million.

Working capital requirements rose from €11.1 million to €14.9 million in response to strong growth in the fourth quarter and an increase in DSOs.

Outflows for investments in property, plant and equipment and intangible assets amounted to €2.1 million.

Cash flows used in financing activities amounted to 12.1 million. This includes mainly €6.7 million in dividend payments, €9.3 million in new bank borrowings to finance the Italian business and the buyout of minority interests in Spain and €12.1 million in repayments of existing debt.

VI.3. Buyout of non-controlling interests, acquisition of equity interests in or disposals of companies, mergers

VI.3.1. Acquisitions/equity participations

Aubay made no acquisitions in 2018.

After its parent company, Aubay Spain (a wholly-owned subsidiary of Aubay SA), acquired the minority interests of its Spanish subsidiary, Cast-Info, it was able to be merged by absorption into the former on 31 December 2018.

VI.3.2. Disposals/Discontinued operations

There were no disposals in the period.

Aexia, a joint venture in which Aedian held a stake, (acquired in 2013) was wound up through a voluntary liquidation before term. At 31 December 2018, Aubay was still waiting for this procedure to be finalised and the payment of the liquidating dividends.

VI.3.3. Mergers/demergers

Aubay Spain SA, a wholly-owned subsidiary of Aubay SA, absorbed its subsidiary Cast Info by a 100% merger dated 31 December 2018.

VII. AUBAY SHARE INFORMATION

ISIN Codes FR0000063737 - AUB, Reuters AUBT.PA, Bloomberg AUB:FP

LEI code: 969500KGFSDP6UUKIA67

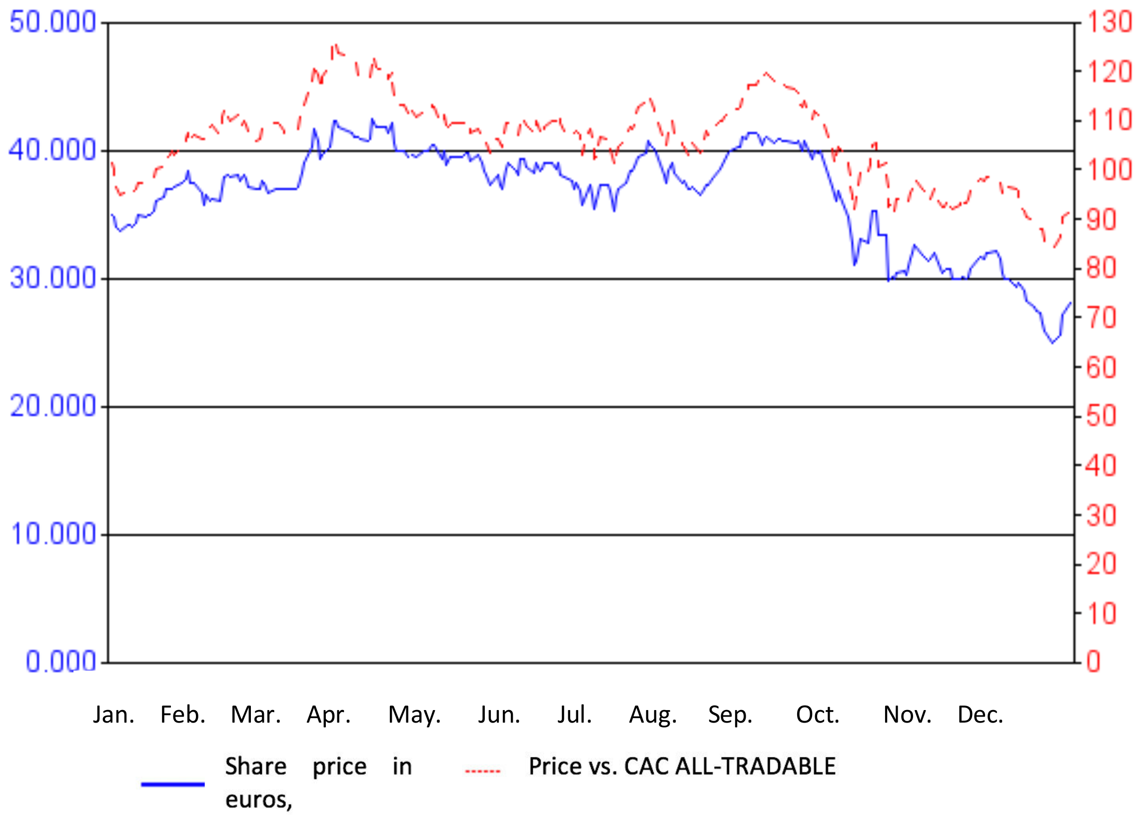
In 2018, mirroring the trends of financial markets overall, the Aubay share registered a mixed performance. Over the first period from January to September, new highs were reached in terms of volumes which significantly increased in relation to prior periods. In September, this trend was reversed and the Aubay share price registered a significant downturn, and in December retreated to the lows of 2016 in heavy trading volume.

On that basis, the period was marked by a new increase in trading volume for the share which reached nearly €118 million.

Aubay share highlights in 2017-2018:

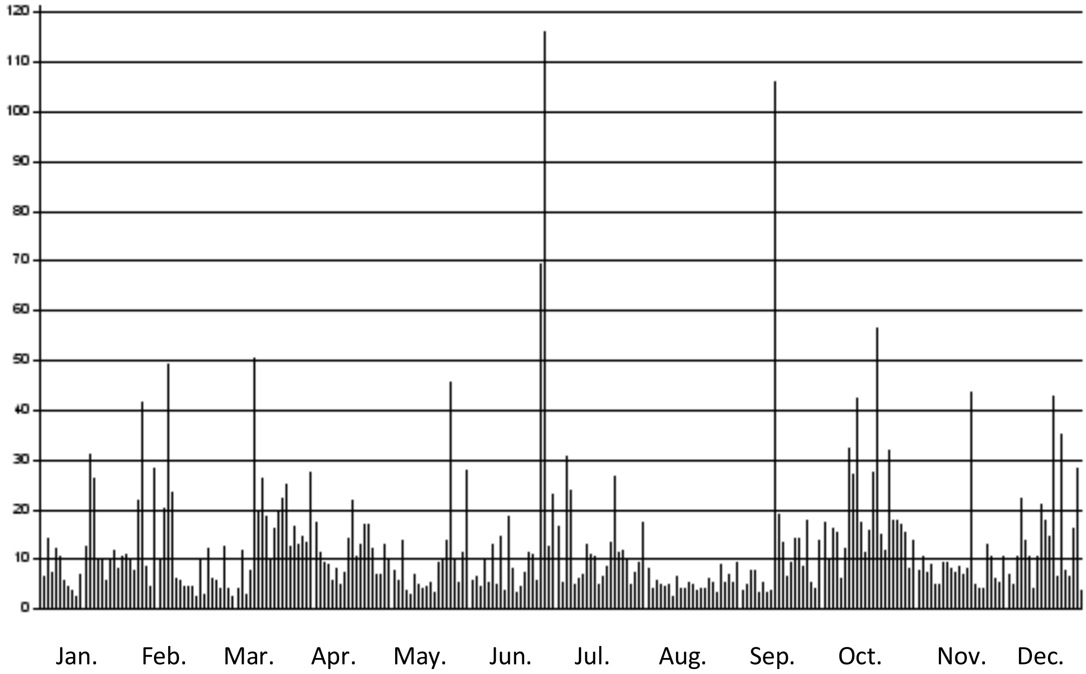
	2017	2018	Change
Number of transactions in the system	46,265	61,122	32.11%
Total number of transactions	46,276	61,176	32.20%
Trading volume in the system (number of shares)	2,457,241	2,751,152	11.96%
Total trading volume (number of shares)	2,555,308	3,250,022	27.19%
Turnover in the system	74,201,690 €	99,913,820 €	34.65%
Total turnover	76,927,622 €	117,886,630 €	53.24%
Turnover rate	19.53%	24.77%	

Share price and trading activity trends in 2018



Source: Euronext Paris

Number of shares traded per session (thousands)



Aubay share information on Euronext Paris for the last three years

		Trading range (1)		Monthly trading volume	
		High	Low	Trading volume in number of shares	Trading volume in millions of euros
2016	January	€20.00	€16.90	364,669	6.70
	February	€22.11	€17.17	399,130	7.86
	March	€22.90	€20.43	361,255	7.91
	April	€22.45	€19.51	207,939	4.42
	May	€22.09	€19.05	184,979	3.76
	June	€22.68	€16.60	318,048	6.56
	July	€23.50	€18.58	274,742	5.89
	August	€23.49	€22.10	121,706	2.78
	September	€25.64	€23.10	239,350	5.83
	October	€26.00	€23.90	132,424	3.32
	November	€25.98	€22.33	131,805	3.29
	December	€26.50	€26.10	129,581	3.40
	TOTAL			**2,865,628**	**61.70**

(1) intra-day trading range

		Trading range (1)		Monthly trading volume	
		High	Low	Trading volume in number of shares	Trading volume in millions of euros
2017	January	€29.00	€26.10	196,600	5.38
	February	€28.05	€24.85	245,137	6.59
	March	€29.00	€26.08	336,521	9.27
	April	€28.69	€25.82	159,350	4.31
	May	€30.44	€27.51	172,002	5.01
	June	€29.37	€26.95	214,476	6.05
	July	€31.63	€27.51	251,588	7.60
	August	€31.10	€29.00	113,814	3.42
	September	€34.50	€29.13	214,805	6.87
	October	€36.17	€32.65	221,933	7.72
	November	€36.33	€31.92	290,652	9.90
	December	€36.17	€33.92	138,430	4.82
	TOTAL			**2,555,308**	**76.92**

(1) intra-day trading range

		Trading range (1)		Monthly trading volume	
		High	Low	Trading volume in number of shares	Trading volume in millions of euros
2018	January	€38.45	€33.55	224,929	7.99
	February	€38.40	€33.60	279,317	10.30
	March	€43.30	€36.40	299,375	11.79
	April	€42.85	€36.75	255,406	10.37
	May	€41.20	€36.20	226,512	8.75
	June	€39.90	€35.40	359,601	13.59
	July	€41.05	€35.05	262,077	9.88
	August	€41.40	€36.15	123,698	4.80
	September	€41.70	€39.30	272,698	10.96
	October	€39.55	€28.85	456,824	15.11
	November	€33.30	€29.90	204,920	6.37
	December	€32.65	€24.70	284,665	7.98
	TOTAL			**3,250,022**	**117.88**

(1) intra-day trading range

VIII. RISK FACTORS

After reviewing risks potentially having a material adverse effect on its business, financial position or results (or its ability to meet its targets), the Company considers that there do not exist other risks than those presented below.

These risks are presented, based on the company's assessment, in decreasing order of importance. In addition, the disclosures relating to the management of financial risks are provided in the notes to the consolidated financial statements on page 63.

On the filing date of the French version of the registration document with the AMF, this paragraph was still considered applicable and there is no new information justifying that it be amended.

Customer risks

Aubay customer portfolio is made up exclusively of large corporate clients. At 31 December 2018, Aubay's 10 largest customers accounted for 55% of its total revenue.

The loss of one of these customers is always possible and could, in such an event, significantly impact its revenue and/or profitability.

However, the risk of customer default is relatively low.

In addition, the average settlement period for accounts receivable remains effectively managed with days sales outstanding at 31 December 2018 at 89 days compared to 81 one year earlier.

Risk related to staff costs

Aubay is a cutting-edge company in a technological sector characterised by very robust development. To remain competitive in such a sector, it depends on quality of its staff to drive performance.

Staff costs represent its largest expenditure. This means any failure to effectively manage rising personnel costs could rapidly degrade its profitability.

For that reason, management closely monitors this indicator in managing its operations and ensures that payroll trends are strictly monitored every year in order to maintain its margins.

Liquidity and interest rate risks

Based on a specific review of its liquidity risk, the company considers that it is able to honour the terms for future payments.

At 31 December 2018, Aubay's gross financial debt totalled €19.3 million and consisted almost entirely of bank borrowings. Two new medium-term credit lines were obtained in the period for a total amount of €9.3 million, making it possible to buy out minority interests in Spain and finance the Italian business.

In addition, through its main subsidiaries grouped according to geographical region, the Group has negotiated credit facilities and bank discounts with major banks in line with its requirements and under its control amounting to approximately €40 million.

The Group Finance Division centralises all information regarding the cash position and the maturities on these different commitments.

Risks related to liability claims

The Company and its subsidiaries are parties in a certain number of lawsuits or disputes arising in the normal course of its business (see below "Exceptional events and litigation "). Excluding the proceedings described below, there are no legal, judicial or arbitration proceedings (including any that are pending or threatened of which the Company is aware), which may have or have had during the past 12 months, a material effect on the financial position or profitability of the company and/or group.

For that reason, the Company has not observed any noteworthy increase in the number or type of disputes. The method for assessing this risk and its evolution consists in regular reviewing and monitoring situations with potential for degenerating into disputes.

The Group adheres to the provisions of IAS 37. This standard defines a liability as a balance sheet item with a negative value for the company, and namely an obligation towards a third party for which it is probable or certain to result in an outflow of resources to this third-party with no equivalent consideration expected in return.

Risk related to the nature of contracts

Flat-rate contracts: A portion of the services Aubay provides are invoiced on a flat-rate basis with performance guarantees involving variable amounts and which may be high. A poor assessment of the expenditures required to meet its commitments may generate unexpected financial expenses and adversely affect Aubay's margin. In addition, the provisions for penalties may add an additional financial charge to a project which deviates from its contractual framework.

The trend resulting in an increase in the number and importance of its commitments requiring an assumption of risks linked notably to meeting strict deadlines and accepting the application of penalty clauses in the case of partial or total non-performance, was not accompanied by an increase in related disputes (see above "Risks related to liability claims").

Information security risks

Aubay handles specific information where a global defect of its integrity, confidentiality or availability could have a material effect on its business and/or level of profitability. An in-depth analysis of these risks, according to the ISO 27005 risk management standard, confirmed the effectiveness of the security measures in place since 2015 and identified additional measures in 2018 to take into account evolving information security threats. The human, organisational and technical measures implemented maintain this risk at an acceptable level. In January 2018, Aubay obtained ISO 27001 certification for all its services.

Aubay also handles information originating from its customers. A malfunction concerning this information could have a material effect in terms of damage (notably financial) caused to the customer as well as the customer's confidence in Aubay which could ultimately result in losing its status as a preferred supplier. By systematically reviewing security requirements with customers and validating preventive measures in response, both in terms of technical assistance and the services centre, this risk is reduced to an acceptable level;

Competition risks

Aubay's specific expertise and cutting edge technology supplied within its innovative business structure led to rapid success. Its ability to recruit the best engineers and keep their training up to date, should allow Aubay to consolidate its position as a key player in Europe in the universe of new technologies.

Nevertheless, competition from competitors, particularly outside the Eurozone could adversely affect sales prices in those markets where Aubay is operates.

Furthermore, in its domestic markets, Aubay faces competition from considerably larger market players with well-established technical and commercial capabilities therefore capable of increasing their market share, potentially at Aubay's expense.

Finally, the trend of the industrialisation of disintermediation platforms or basic umbrella platforms for contract workers can also constitute a threat to some of the consulting activities historically exercised by Aubay.

These factors could result in the disappearance in the medium-term of "intermediate" size players like Aubay should these trends prevent such players from directly addressing their end customers.

Risk of share dilution

The Company issued a total of 98,500 potential shares from the grant of restricted stock units. If all these options were exercised and/or the shares finally awarded, the resulting dilution would be approximately 0.74 % in relation to the number of shares existing on 31 December 2018 (13.136.796 shares).

Equity risks

Most of the company's cash is placed in money market funds which are by nature low risk. Treasury shares which are deducted from equity have no impact on the Group's profitability in the event of a change in share price. At 31 December 2018, excluding the liquidity agreement, only 828 own shares were held by Aubay, mainly for the purpose of covering commitments linked to stock options or restricted stock units.

Risks linked to key persons

Aubay today is a diversified group in terms of its both geographical coverage and customer base, with nearly 6,200 employees. There is no member of the management personnel whose departure could potentially put the company's operations in jeopardy. For that reason, no key person insurance policy has been taken out.

In addition, the report on corporate governance (page 103 in the original French registration document) defines the considerations addressed by the Board of Directors to ensure that unforeseeable absence of one of the company's managers would not result in a significant risk. The Board of Directors has established a succession plan which is regularly reviewed by executive management.

Exchange rate risk

Aubay's business is concentrated in the Eurozone and its growth strategy is focused on this region. For that reason, its exchange rate risk has been nil since 1 January 1999. Its business in the United Kingdom remains marginal in relation to the Group's size and in consequence does not generate significant exchange rate risk.

Risks relating to acquisition-related financial liabilities

At 31 December 2018, Aubay no longer had any acquisition-related financial liabilities. The last liability of this nature was settled by the buyout in 2018 of the remaining capital of Aubay Spain (a wholly-owned subsidiary of Aubay SA) in the capital of subsidiaries Cast Info (see above), that has since been merged into Aubay Spain.

Sourcing risks

As a provider of IT services, Aubay is not subject to any sourcing risk nor does it incur any significant expenses in that respect, as procurement and associated expenses tend to be relatively low.

General legal risks

The Company has conducted a review of its risks and to date has identified no strategic or governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.

Aubay Group's business does not expose it to any particular legal risk in the countries where it operates.

Intellectual property

All trademarks necessary for the Company's operations have been registered with the appropriate international bodies. Similarly, domain names have been registered for all Group entities.

Insurance

General liability and professional civil liability

Aubay Group is covered by a global policy with a leading insurance company for financial losses arriving from the civil and professional liability from its activities. The terms and conditions of this policy, including coverage limits, are periodically reviewed and adjusted to take account of company revenues, activities and risks.

In 2018, the limits and deductibles for this global policy were as follows:

Business and professional civil liability

NATURE OF COVERAGE	LIMITS OF COVERAGE	DEDUCTIBLES per claim
1/ Bodily injury	**€10,000,000** per year of insurance	NONE
Of which: • Gross negligence	**€3,000,000** per year of insurance	NONE
2/ Property, consequential laws and pure financial loss	**€1,500,000** per claim and year of insurance	Third-party liability, outside of contractual relations: €150
Of which: • Additional costs (performance guarantee and recall costs) • Exports to the US/Canada	**€1,500,000** per claim and year of insurance EXCLUSIONS	Other losses: €50,000
3/ Accidental environmental damage (all losses combined)	**€1,000,000** per year of insurance	€1,500 for all losses other than bodily injury
4/ Legal expenses	Included under the guarantee	NONE Except for the US/Canada
5/ Recourse	**€50,000** per litigation	NONE

Physical damage and business interruption

Insurance for damage to property is arranged locally. Limits on insured amounts are set in each country based on the value of the property to be covered and regularly updated.

Because a significant portion of the Group's revenue continues to be generated by seconding consultants, or, in the case when activities are carried out at its own premises, a significant number of sites throughout Europe provide for business continuity processes in the event of a disaster at one of these sites, the Group has not considered business interruption coverage to be necessary for the time being.

IX. EXCEPTIONAL EVENTS AND LITIGATION

The Company and its subsidiaries are parties in a certain number of lawsuits or disputes arising in the normal course of their business.

Amongst said lawsuits and disputes, there are some that could give rise to considerable gains or losses for the Group. A brief description of these cases is provided below. None of the cases presently before the courts however is considered to constitute a risk to the Group's business prospects.

Commercial litigation in Belgium

A commercial litigation continues to exist between Aubay Belgium and one of its former customers. The claims of the latter against our subsidiary amount to approximately €1.9 million whereas Aubay Belgium considers that it is owed more than €769,000 by this customer. This dispute, initiated in 2002 resulted in an initial ruling against the position of Aubay which was ordered to pay approximately €580,000 plus interest. An appeal was filed against the decision which remains pending with no noteworthy developments in 2018.

Tax litigation in France

The French tax authorities called into question through a proposed amendment received at the end of 2012, the eligibility of several technical items providing the basis for recognising research tax credits in the periods from 2005 to 2010. The total amount whose eligibility is contested at 31 December, after a number of exchanges in the pre-litigation phase, was approximately €1.6 million in principal, which has assessed in 2015. The company maintains its challenge to this proposal for virtually the entire amount by pursuing its available avenues of remedy. There have been no developments in this case in 2018.

To the best of the company's knowledge, there are no exceptional items or litigation proceedings that could have or have had in the recent past, a material impact on the financial position, business, earnings and assets of the company or the Group.

X. MATERIAL SUBSEQUENT EVENTS

There have been no material events to report since 31 December 2017.

XI. OUTLOOK FOR 2019

Aubay management noted a continuing intention of its key accounts to maintain their capital spending. The market environment in consequence remains buoyant, in line with trends of the preceding quarters. The new year has gotten off to a good start in all countries where the Group operates and all business indicators are positive.

On that basis, the targets set for 2019 remain on track with the medium-term objectives, and namely:

- Revenue of **€425 million**, or organic growth of between 5% and 7%,
- An operating margin on ordinary activities of between **9.5% and 10.5%**.

At the same time, Aubay will continue to study selective opportunities for external growth to bolster its positions in its key markets.

For the Board of Directors

Christian Aubert

Chair

2018 CONSOLIDATED FINANCIAL STATEMENTS

I. CONSOLIDATED FINANCIAL STATEMENTS

I.1. Consolidated statement of financial position

ASSETS (€ '000s)	Notes	31/12/2018	31/12/2017(1)
Goodwill	III.8	124,101	124,101
Intangible assets	III.9	678	726
Property, plant and equipment	III.9	5,284	4,906
Equity-accounted investees	III.10	-	-
Other financial assets	III.9	2,309	1,920
Deferred tax assets	III.4	2,126	1,645
Other non-current assets			
NON-CURRENT ASSETS		**134,498**	**133,298**
Inventories and work in progress		378	350
Contract assets	III.11	20,649	20,981
Trade receivables	III.11	115,760	96,696
Other receivables and accruals	III.12	35,892	34,978
Marketable securities		0	222
Cash at bank and in hand		19,519	16,442
CURRENT ASSETS		**192,198**	**169,669**
TOTAL ASSETS		**326,696**	**302,967**

EQUITY AND LIABILITIES (€ '000s)	Notes	31/12/2018	31/12/2017(1)
Capital		6,568	6,544
Additional paid-in capital and consolidated reserves		131,515	113,381
Net income attributable to the Group		27,327	23,937
Shareholders' equity attributable to the Group		**165,410**	**143,862**
Attributable to non-controlling interests		0	0
SHAREHOLDERS' EQUITY		**165,410**	**143,862**
Borrowings and financial liabilities: non-current portion	III.15	10,493	11,828
Deferred tax liabilities	III.4	6	2
Provisions for contingencies and expenses	III.16	5,328	5,491
Other non-current liabilities	III.16	2	4
NON-CURRENT LIABILITIES		**15,829**	**17,325**
Borrowings and financial liabilities: current portion	III.15	8,819	10,404
Trade payables and related accounts	III.17	26,530	26,932
Contract liabilities	III.11	17,528	15,593
Other current financial liabilities	III.18	92,580	88,841
CURRENT LIABILITIES		**145,457**	**141,780**
TOTAL EQUITY AND LIABILITIES		**326,696**	**302,967**

(1) Comparative information presented for 2017 and FY 2017 was restated to eliminate the retrospective impact linked to the application of IFRS 15. – See the paragraph in the chapter Accounting Policies, "Application of IFRS 15 on 1 January 2018".

I.2. Consolidated income statements

(€ '000s)	Notes	31/12/2018	%	31/12/2017(1)	%
Revenue	**III.20**	**400,579**	**100%**	**348,721**	**100%**
Other operating income		245		255	
Purchases used in production and external charges		(81,052)		(72,528)	
Staff costs	III.I	(272,848)		(238,508)	
Taxes other than on income		(3,178)		(2,714)	
Amortisation, depreciation and provisions		(2,014)		(1,829)	
Change in inventories of work in progress and finished goods				(23)	
Other current operating income and expenses		162		544	
Operating profit from ordinary activities		**41,894**	**10.5%**	**33,918**	**9.7%**
Expenses linked to restricted share unit and similar share-based payments		(1,466)		(1,029)	
Current operating income		**40,428**	**10.1%**	**32,889**	**9.4%**
Other operating income and expenses	III.2	(907)		787	
Operating profit		**39,521**	**9.9%**	**33,676**	**9.7%**
Income from cash and cash equivalents					
Net borrowing costs		(456)		(395)	
Other financial income and expenses	III.3	183		301	
Net financial income (expense)		(273)		(94)	
Tax	III.4	(11,921)		(9,645)	
Income from equity-accounted investees					
Net income before results of discontinued operations or assets held for sale		27,327		23,937	
Net income after tax of discontinued operations or assets held for sale					
Net income		**27,327**	**6.8%**	**23,937**	**6.9%**
Attributable to shareholders		27,327		23,937	
Attributable to non-controlling interests	II.5	0		0	
Earnings per share		2.08		1.83	
Diluted earnings per share	III.6	2.07		1.82	

(1) Comparative information presented for 2017 and FY 2017 was restated to eliminate the retrospective impact linked to the application of IFRS 15. – See the paragraph in the chapter Accounting Policies, "Application of IFRS 15 on 1 January 2018".

I.3. Consolidated statement of comprehensive income

(€ '000s)	31/12/2018	31/12/2017
Foreign currency translation adjustments	-3	-7
Revaluation of hedging derivatives		
Items that will not be subsequently recycled through profit or loss		
Actuarial gains and losses on retirement schemes, net of tax	82	-49
Other impacts		
Items that will not be recycled through profit or loss	79	-56
Net gains and loss recognised directly in equity attributed to the Group	79	-56
Net income	27,327	23,937
Gains and losses recognised directly in equity attributed to the Group	79	-56
Comprehensive income attributable to the Group	**27,406**	**23,881**

I.4. Consolidated statement of cash flows

(€ '000s)	31/12/2018	31/12/2017
Consolidated net income(including non-controlling interest)	**27,327**	**23,937**
Income from equity-accounted investees		
Net exceptional depreciation, amortisation and provisions	1,442	1,362
Non-cash expenses and income relating to share-based payments	1,466	1,029
Other non-cash items	60	(2,220)
Dividend income	(6)	(11)
Gains and losses on disposals of fixed assets	48	99
Cash flow after net interest expense and tax	**30,337**	**24,196**
Net borrowing costs	461	399
Tax expense (including deferred taxes)	11,921	9,645
Cash flow before net interest expense and tax (A)	**42,719**	**34,239**
Income tax payments (B)	(10,416)	(9,789)
Change in trade and other receivables	*(19,551)*	*(22,838)*
Change in trade and other payables	*4,635*	*11,746*
Change in operating working capital requirements (including liabilities relating to employee benefits)	**(14,916)**	**(11,092)**
Net cash provided by (used in) operating activities (D) = (A+B+C)	**17,387**	**13,358**
Outflows for the acquisition of tangible and intangible fixed assets	(2,085)	(2,179)
Inflows from the disposal of tangible and intangible fixed assets	97	-
Outflows for the acquisition of financial assets		(5)
Inflows from the disposal of financial assets		19
Change in loans and advances granted	(382)	(77)
(Outflows) / inflows linked to business combinations net of cash acquired		(11,214)
Dividends received	6	11
Net cash provided by (used in) investing activities (E)	**(2,364)**	**(13,445)**
Proceeds from capital increases	-	-
Amounts received upon the exercise of stock options	31	29
Purchases of treasury shares for cancellation	-	-
Purchases of and proceeds from the sale of treasury shares	-	-
Dividends paid in the period:	-	-
Net dividends paid to parent company shareholders	(6,695)	(6,458)
Dividends paid to the non-controlling shareholders of consolidated companies		
Inflows from new borrowings	9,281	10,000
Repayment of debt	(12,075)	(7,651)
Net interest payments	(478)	(360)
The purchase of non-controlling interests (put options)	(2,203)	(3,113)
Other financial flows		
Net cash provided by (used in) financing activities (F)	**(12,139)**	**(7,553)**
Effects of changes in foreign exchange rates (G)	(4)	(14)
Change in net cash (D+E+F+G)	(2,880)	(7,654)
Cash and cash equivalents at the beginning of the year	16,492	24,146
Cash and cash equivalents at year-end	19,372	16,492

I.5. Changes in consolidated shareholders' equity

(€ '000s)	Share capital	Additional paid-in capital	Net income attributable to owners of the parent	Equity attributable to shareholders	Non-controlling interests	Total
Shareholders' equity at 31 December 2016	**6,518**	**98,174**	**21,274**	**125,965**	**0**	**125,965**
Increase and reduction in capital	26	3	-	29	-	29
Share-based payments	-	896	-	896	-	896
Dividends	-	(6,458)	-	(6,458)		(6,458)
Net income appropriation	-	21,274	(21,274)	-	-	-
Net income for the period	-	-	23,937	23,937	-	23,937
Change in treasury shares	-	2	-	2	-	2
Change in Group structure	-	-	-	0	-	
Flows related to equity-accounted investments	-	-	-	-	-	-
Other changes	-	(453)	-	(453)	-	(453)
Other comprehensive income		(56)		(56)		(56)
Shareholders' equity at 31 December 2017	**6,544**	**113,382**	**23,937**	**143,862**	**0**	**143,862**
Increase and reduction in capital	24	6	-	30	-	30
Share-based payments	-	528	-	528	-	528
Dividends	-	(6,695)	-	(6,695)		(6,695)
Net income appropriation	-	23,937	(23,937)	-	-	-
Net income for the period	-	-	27,327	27,327	-	27,327
Change in treasury shares	-	(41)	-	(41)	-	(41)
Change in Group structure	-	-	-	0	-	
Flows related to equity-accounted investments	-	-	-	-	-	-
Other changes	-	320	-	320	-	320
Other comprehensive income		79		79		79
Shareholders' equity at 31 December 2018	**6,568**	**131,516**	**27,327**	**165,410**	**0**	**165,410**

II. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

II.1. Accounting policies

Accounting principles and valuation methods

The consolidated financial statements for the period ended 31 December 2018 have been prepared according to the principles for recognition and measurement for international financial reporting standards (IFRS) adopted by the European Union as of the same date. The financial statements were adopted by the Board of Directors on 20 March 2019 and will be submitted for approval to the annual general meeting of 14 May 2019.

New standards and interpretations applicable in 2018

The accounting principles used are identical with those used to prepare the annual consolidated financial statements for the period ended 31 December 2017, with the exception of those standards and interpretations adopted by the European Union becoming mandatory for periods beginning on or after 1 January 2018:

With the exception of IFRS 15 “Revenue from contracts with customers” and the amendments thereto, the new tax whose application for periods beginning on or after 1 January 2018 did not have a significant effect on the Group’s financial statements. These concern:

- IFRS 9 - Financial instruments
- Amendments to IFRS 4 – “Interaction between IFRS 4 and IFRS 9”.
- Amendments to IFRS 2 “Classification and measurement of share-based payment transactions”,
- Amendments to IAS 40 “Clarification on circumstances when there is an evident change in use”,
- IFRIC 22 “Foreign currency transactions and advanced consideration”
- IFRS annual improvements – 2014-2016 cycle;

Application of IFRS 15 on 1 January 2018

IFRS 15 on revenue recognition, was adopted by the Group on 1 January 2018, according to the full retrospective method involving the restatement of a comparative 2017 period recognition of the cumulative impact on equity at 1 January 2017.

The impact of IFRS 15 on 1 January 2018 on the Group’s consolidated financial statements is limited to the purchase and resale of equipment or licenses by the Group on behalf of its customers.

Specifically, IFRS 15 introduces changes to the principles and indicators used to determine if the Group must present these transactions under profit or loss as a “principal”, i.e. for the gross amount (recognition of purchases from third-party suppliers under operating expenses) or as an “agent”, i.e. on a net basis (revenue invoiced to the customer net amounts charged by the supplier). Under IFRS 15, a company is considered to be acting as the principal if it has obtained control of the equipment, software and services before their transfer to the customer;

Analysis conducted led to the conclusion that transactions by Aubay Group must be presented on a net basis.

Retrospective application of IFRS 15 resulted in a decrease in consolidated revenue of €4.9 million for fiscal 2017. In addition, the operating margin from ordinary activities was 9.7% of restated revenue at 31 December 2017 or +0.1 point.

The amount of adjustments recognised for the retrospective application of IFRS 15 for each period presented is illustrated below.

- Consolidated statement of profit or loss

(€ 000s)	31/12/2017 - Reported	IFRS 15 restatement	31/12/2017 - Restated basis
Revenue	**353,568**	**(4,847)**	**348,721**
Other operating income	255		255
Purchases used in production and external charges	(77,375)	4,847	(72,528)
Staff costs	(238,508)		(238,508)
Taxes other than on income	(2,714)		(2,714)
Amortisation, depreciation and provisions	(1,829)		(1,829)
Change in inventories of work in progress and finished goods	(23)		(23)
Other operating income and expenses	544		544
Operating profit from ordinary activities	**33,918**	**0**	**33,918**
As a % of revenue	**9.6%**		**9.7%**
Expenses linked to restricted share unit and similar share-based payments	(1,029)		(1,029)
Current operating income	**32,889**	**0**	**32,889**
As a % of revenue	**9.3%**		**9.4%**
Other operating income and expenses	787		787
Operating profit	**33,676**	**0**	**33,676**
As a % of revenue	**9.5%**		**9.7%**
Income from cash and cash equivalents			0.00%
Net borrowing costs	(395)		(395)
Other financial income and expenses	301		301
Net financial income (expense)	(94)		(94)
Income tax expense	(9,645)		(9,645)
Income from equity-accounted investees			0.00%
Net income before results of discontinued operations or assets held for sale	**23,937**		**23,937**
Net income after tax of discontinued operations or assets held for sale			0.00%
Net income	**23,937**	**0**	**23,937**
As a % of revenue	**6.8%**		**6.9%**
Attributable to shareholders	23,937		23,937
Attributable to non-controlling interests			

Consolidated statement of financial position

The Group has modified the presentation of certain amounts in the consolidated statement of financial position to reflect IFRS 15 terminology:

- assets relating to contracts previously included under "Trade receivables" have been presented under a separate line item "contract assets"
- liabilities relating to contracts previously included under "other current liabilities" have been presented under a separate line item "contract liabilities".

ASSETS (€ 000s)	31/12/2017 - Reported	IFRS 15 restatement	31/12/2017 - Restated basis
Inventories and work in progress	350		350
Contract assets		20,981	20,981
Trade receivables	117,677	-20,981	96,696
Other receivables and accruals	34,978		34,978
Marketable securities	222		222
Cash at bank and in hand	16,442		16,442
CURRENT ASSETS	**169,669**	**0**	**169,669**
TOTAL ASSETS	**302,967**	**0**	**302,967**

LIABILITIES (€ 000s)	31/12/2017 - Reported	IFRS 15 restatement	31/12/2017 - Restated basis
Borrowings and financial liabilities: current portion	10,404		10,404
Trade payables and related accounts	26,932		26,932
Contract liabilities		15,593	15,593
Other current financial liabilities	104,444	-15,593	88,851
CURRENT LIABILITIES	**141,780**	**0**	**141,780**
TOTAL EQUITY AND LIABILITIES	**302,967**	**0**	**302,967**

Application of IFRS 9 "Financial instruments"

IFRS 9 was adopted by the Group on 1 January 2018. Aubay analysed the new rules of this standard and its potential impacts. On that basis, the Group is only concerned by the provisions of the standard concerning trade receivables which now provide for impairment based on the notion of expected credit loss (ECL). After analysing the accounts receivables aged trial balance and record of default, the Group concluded that its impact was marginal and did not require the restatement of the comparative 2017 period.

Application of IFRS 16 "Leases"

IFRS 16 will be applied by the Group as from 1 January 2019. Under this standard, the lessee recognises a depreciable right-of-use asset and a lease liability in the balance sheet.

During 2018, all leases (property, computer equipment and vehicles) were identified by the Group and an initial analysis of the potential impacts was performed. The Group has opted to apply the modified retrospective method for this standard. On that basis, as of 1 January 2019, the Group will recognise a right-of-use asset and a corresponding lease liability for the same amount for leases having with residual terms of more than one year as of this date. In addition, leases whose unit value is less than US$5,000 were excluded from this analysis. For Aubay, the main contracts falling under the scope of application of this standard concern property and premises and secondarily, vehicles and computer equipment.

At this stage, the estimated value of these liabilities was approximately €25 million at 1 January 2019. This amount may change after completing the review of key assumptions used to determine the amount of the liabilities.

The impact on the other financial aggregates (current operating income, net income, cash flow) is considered marginal.

Basis of consolidation : Companies over which Aubay exercises exclusive control, whether directly or indirectly, are fully consolidated. Exclusive control is presumed to exist when Aubay holds the majority of a company's voting rights, exercises contractual control or power to manage a company's operations.

The equity method is applied to the financial statements of companies in which Aubay exercises significant influence but without control. Equity accounting involves recognising in the income statement the Group's share in the associate's profit or loss for the year. The carrying amount of the investment is adjusted is adjusted to reflect cumulative changes after the acquisition date of the equity interests. The Group's investments in associates include goodwill.

Financial reporting periods and consolidation dates: All companies are consolidated based on their annual financial statements period ending 31 December 2018, and restated, as applicable, in accordance with Group accounting principles. The consolidation date for companies on first-time consolidation is the date the shares acquired in these companies are legally transferred. This same principle applies in the case of deconsolidation. To this end, financial statements are prepared for all acquired companies.

Translation of foreign financial statements: only the English subsidiary (Aubay UK) is concerned by translation differences, as all other companies of the Group are in the Eurozone.

- Assets and liabilities are translated at the closing rate at the end of the reporting period;
- Income, expenses and cash flows are translated at the average exchange rate for the period;
- All resulting translation differences are recognised as a separate component of equity.

Goodwill :Goodwill is calculated as the difference between the amount of the consideration for the shares transferred from the acquirer to the acquiree and the group's share in restated net assets of the acquiree. This difference in value is divided between:

- Identifiable balance sheet items classified under the appropriate headings in accordance with applicable accounting rules.

- Goodwill for the unallocated balance.

The purchase price and its allocation must be finalised within 12 months from the acquisition date. Negative goodwill is recognised as a gain directly in the statement profit or loss.

Acquisition-related costs incurred by the Group in connection with a business combination is recognised under "other operating expenses" in the period incurred.

Put options written on non-controlling interests (business combinations) are accounted for as share buybacks to be recognised as an operating debt and offset by a reduction in non-controlling interests for the year they are recorded (full goodwill method). Amounts recognised are calculated according to commitments incurred, and mainly a multiple of earnings for the subsidiaries in question. Any year-on-year changes in debt related to changes in estimates are offset against "Other operating income and charges".

Goodwill is tested for impairment, whenever there is evidence of impairment and at least once a year at the end of the reporting period, by comparing the recoverable amount of cash generating units (CGU) or CGU groups with the net carrying value of the corresponding assets including goodwill.

Goodwill is allocated and tested for impairment by CGU or CGU group, i.e. by geographical market (France, Italy, Spain, Portugal and Belux) corresponding to the level at which the rates of returns on these investments are monitored. The Group's organisational structure provides for one legal entity per region (by integrating the companies followed by their merger).

The recoverable value of each CGU or CGU group is the value in use as determined from the discounted cash flow method. Its measurement is based on:

- criteria derived from the budget process and forecasts over a period of five years, including the rates of growth and return considered reasonable,
- a perpetuity growth rate based on the growth potential of the all CGUs or the CGU group set at 2.5%, based on an analysis of past experience and prospects for future development,
- a discount rate before representing the weighted average cost of capital (WACC) applied to cash flow projections of 8.4% at 31 December 2018 for all CGUs or the CGU group (euro zone) This rate is based on the analysis of external sources of information, and notably a benchmark originating from financial analysts.

However, it is considered that the recoverable value of each CGU or CGU group may not be less than 0.6 times the revenue of the CGU or CGU group in question, except in special cases.

When an impairment loss is recognised, the difference between the carrying value of the asset and the recoverable value is charged in priority to goodwill and recognised under "Other operating income and expenses."

Goodwill impairment charges are irreversible.

Intangible assets

Licences and software: Licenses and software acquired with full title are amortised over a maximum of five years using the straight-line method except for inexpensive software packages which are amortised on a time proportion basis in the year acquired. Internally generated software and solutions providing lasting and measurable economic benefits are capitalised and subject to amortisation over the same periods. The cost of internally generated software and solutions are those associated directly with their production, i.e. expenses linked to payroll costs of employees having developed the software.

Property, plant and equipment: Property, plant and equipment are recognised at cost and depreciated over their expected useful lives. By exceptions, they are subject to the same depreciation schedules used for the parent company financial statements (excluding items eligible for special tax depreciation provisions).

Buildings	20 years
Fixtures and fittings	5 to 10 years
IT equipment	3 to 5 years
Office furniture and equipment	3 to 5 years

These items are generally depreciated according to the straight-line method.

Trade receivables: receivables are measured at nominal value. They are assessed individually and, when necessary, a provision for impairment is recorded to cover potential collection risks.

Cash and cash equivalents: Cash and cash equivalents include liquid investments readily convertible and subject to an insignificant risk of impairment in the short term. Marketable securities are recognised in the balance sheet at cost. A provision for impairment is recognised when the carrying value is less than the acquisition cost.

Own shares: Aubay shares held by the parent company are deducted from consolidated shareholders' equity. Gains or losses from disposals are eliminated in changes in shareholders' equity.

Grants and tax credits: operating grants and tax credits are deducted from expenses presented according to the function of expense method (mainly staff costs for the Research Tax Credit and the "CICE" wage tax credit).

Provisions: The Group adheres to the provisions of IAS 37. This standard defines a liability as a balance sheet item with a negative value for the company, and namely an obligation towards a third party for which it is probable or certain to result in an outflow of resources to this third-party with no equivalent consideration expected in return.

When business combinations are recognised, the Group may record provisions (for contingencies, litigation, etc.) in the opening balance sheet. These provisions constitute liabilities that create or increase the amount of goodwill. After the twelve-month allocation period from the opening balance sheet, the reversal of unused provisions resulting from changes in estimates as defined in IAS 8 is recorded in the income statement under "Other operating income and expenses".

Provisions for pensions and similar obligations: In compliance with IAS 19, the Group records long-term post-employment benefits or benefits contingent on accruing seniority within the Group such as retirement severance benefits (*indemnités de départ à la retraite*), etc. These benefits may be provided under different types of plans:

- ***Defined-contribution plans*** for which the Group pays defined benefits to external organisations. The corresponding expenses are recognised as they are paid.
- ***Defined-contribution plans*** under which the Group has an obligation towards employees. The characteristics of these plans vary according to the laws and regulations which apply in each country.

In France, the main actuarial assumptions applied to measure defined-benefit plan obligations are as follows:

- Retirement age: 67 years
- Average salary of reference: 1/13th of annual remuneration excluding bonuses
- Salary escalation rate: 1%
- Social security contributions: 45%
- Discount rate: 1.57%
- Turnover ratio: based on the company's own table (updated in 2016)
- Life expectancy according to the INSEE 2017 table

In Italy, the provision corresponds to the legal severance payments (TFR or *Trattamento di Fine Rapporto*). These severance benefits are recorded each year for a percentage of gross annual salary and payable to employees at the end of their employment contract.

In Spain, Belgium and Luxembourg, there are no pension obligations.

Measurement and recognition of financial liabilities: Long-term financial debt includes mainly bank borrowings, bonds and put options written on non-controlling interests.

Current financial liabilities are those with maturities of less than one year and non-current (or long-term) financial liabilities are those with maturities of more than one year.

Bonds are measured on their issue date at fair value and then recognised until maturity according to the amortised cost method. On the bond issue date, fair value is defined as the present value of future outflows at the market rate. In addition, issuance costs and bond issue premium are deducted from the fair value of the bond. The difference between the nominal value of the bond and its fair value as calculated above is recognised in shareholders' equity. For each period thereafter, interest expense recorded in the statement of profit or loss represents the theoretical interest expense calculated by applying the effective interest rate to the carrying value of the debt. The effective interest rate is calculated when the bond is subscribed and corresponds to the rate used to bring future outflows in line with the initial fair value of the bond. The difference between the interest expense as calculated above and the nominal interest is recognised as an offset to the bond in the balance sheet under liabilities.
Revenue: Revenue is recognised when a contract exists between the Group and its customer. A contrast is considered to exist if it is probable that the consideration to which the Group is entitled to in exchange for the goods or services will be collected, the payment terms can be identified, and the parties undertake to perform their respective obligations. The revenue generated from contracts with customers is recognised in exchange for an asset of the contract or trade receivable before actual payment.*
The method for recognising revenues and costs depends on the nature of the services rendered.

Resources-based contracts

Revenue from resources-based contracts are recognised as the Group earns the right to bill the customer as the amount invoiced corresponds directly to the value for the customer of the performance completed to date. Each obligation to provide services is recognised in revenue on a proportionate performance basis as the customer receives and consumes the benefits of the services provided in a continuous manner. The services are priced based on the number of hours spent on the contract. The amount to be billed is representative of the value of the service delivered to the customer and revenue is recognised over time based on the hours spent. The related costs on resources-based contracts are expensed as incurred.

Deliverables-based contracts

Deliverables-based contracts typically include fixed price projects (construction of an asset application, specific developments for a customer, etc.).

For deliverables-based contracts, revenues are generally recognised over time, because at least one of the following condition is met:

- The service of the Group improves an asset of which the customer obtained control over the period the services are performed,
- The Group builds an asset that has no alternative use other than as used by the customer and the Group has an irrevocable right to payment for performance to date according to the contractual conditions and local laws.

The related costs on deliverable-based contracts are expensed as incurred.

Services-based contracts

Services-based contracts include infrastructure management, application management and business services (application management and third-party testing services, services centres…). Contract terms typically range from 3 to 5 years.

Services are generally built on a monthly basis, based on a fixed-price per work unit consumed, or based on monthly fixed fees subject to adjustment mechanisms for volume or scope changes.

These contracts generally provide for service-level penalties.

Recurring services are generally considered as constituting a single performance obligation, comprised of a series of distinct daily units of service delivered over time. Revenue on services-based contracts is recognised as rights to invoice arise. Service-level penalties or bonuses, if any, are accrued in full over the period when the performance targets are failed or achieved, as appropriate.

Resale activities

The Group resells software and hardware purchased from third-party suppliers. When the asset or service is distinct from the other services provided by the Group, it assesses whether it is acting as an agent or a principal in the purchase and resale transaction.

According to IFRS 15, the Group is considered as a “principal” when it obtains control of the software, hardware and services before their transfer to the customer. In such case, the transaction is presented on a gross basis.

If the Group acts as an “agent”, the transaction is recorded on a net basis (amounts charged by suppliers are recorded as a deduction to revenue) and corresponding to the Group’s compensation and commissions as an agent.

Contract costs – costs to obtain and fulfil contracts

Incremental costs incurred for obtaining contracts are never capitalised as “contract costs) and amortised over the lifespan of the contract. This also applies to costs associated with the transition and transformation phases.

If the budgeted cost of a contract comes to exceed the contractual amount of sales, a provision for losses on completion is recorded at the end of the reporting period.

Presentation in the consolidated statements of financial position

Contract assets are presented separately from trade receivables. This represents revenue recognised for which the corresponding rights to receive consideration are contingent on a condition other than the passage of time, notably the future performance of the Group and the achievement of invoicing milestones or the customer acceptance.

When customer contract assets cease to be contingent, except for the passage of time (unbilled receivables), they convert into trade receivables.

Contract liabilities represent consideration received or receivable and recognised under liabilities in advance of performance (the payments from customers and prepaid income).

Other operating income and expenses This includes items that are infrequent, unusual in nature, unforeseeable and involving significant amounts. For example, this includes restructuring costs, goodwill impairment charges, capital gains and losses from disposals, the costs of acquisitions and the integration of companies acquired by the Group;

Stock options: in accordance with IFRS 2, stock options are to be recognised under expenses at fair value on the date they are granted to employees or managers. This provision applies to plans established after 7 November 2002. Stock options are measured using the Black & Scholes model based on criteria that include namely, the exercise price of the options, their lifespan, the share price on the grant date, the implied volatility of the share price, employee turnover assumptions and the risk-free interest rate. The exact value of the options are set on their grant date. This value is amortised according to the straight-line method.

Restricted stock awards: performance shares are granted to selected employees and officers of the group subject to market performance and service conditions (2 to 3 years). The stock market benchmark is the "STOXX Europe TMI Software & Computer Services". The fair value of the share is determined by applying a model complying with IFRS 2 ("Monte Carlo") that includes the share price on the grant date, the implied volatility of the share price, the risk-free interest rate, the dividend yield for the period, the benchmark price on the grant date.

Corporate income tax: Tax expenses are equal to the sum of current taxes, deferred taxes plus certain local French and Italian business taxes (namely the CVAE and IRAP respectively). Deferred taxes are calculated according to the expiration periods for tax liabilities under the different local tax regimes and to the probability that future taxable profit will be available against which unused tax losses can be utilised.

Earnings per share: Basic earnings per share are calculated by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding in the period. Diluted earnings per share are calculated by dividing net income attributable to equity holders of the parent by the weighted average number of shares outstanding in the period, increased by the average number of shares to be issued through the following dilutive instruments: in-the-money stock options and restricted stock units at 31 December 2018.

Use of estimates: Producing financial statements according to IFRS requires the use of estimates and assumptions which affect the amounts presented in the financial statements, and concerning namely the following items:

- The measurement of provisions and pension liabilities,
- Measurements used for impairment tests,
- The measurement of share-based payments,
- The measurement of financial liabilities.

These estimates are based on assumptions established according to information available when the financial statements were prepared. They may be revised if there is a change in the circumstances on which they are based or on obtaining new information. Actual results may differ from the estimates.

Alternative performance measures:
The following internal performance measures are used by the Group:

Organic or like-for-like revenue growth:
Growth at constant structure for a given period, excluding revenues of companies acquired or disposed of since the previous period. Because Aubay 's business is concentrated in the euro zone, it is completely or virtually unaffected by changes in exchange rates.

Operating profit from ordinary activities
This indicator corresponds to operating profit before the cost of restricted stock units (free shares) and other unusual, significant or infrequent income and expenses shown on a separate line to present a clearer view of the performance generated from recurring operations.

Operating profit after non-recurring items
This indicator corresponds to operating profit from ordinary activities after the cost of restricted stock units (free shares) and before other income and expenses that are unusual, significant or infrequent and shown on a separate line in order to present a clearer view of the performance generated from recurring operations.

Net debt (or net cash):
This indicator represents the difference between an entity's cash and financial debt. If the result is negative, it is referred to as net debt. If it is positive, it is referred to as net cash.

II.2. Changes in consolidation scope

See page 68 of the original French document

III. NOTES TO THE FINANCIAL STATEMENTS

Notes to the statement of profit or loss

III.1. Staff costs

(€ '000s)	31/12/2018	31/12/2017
Salaries	200,586	176,224
Social charges	71,969	61,928
Net allowances for provisions for retirement	293	356
Total	**272,848**	**238,508**
Headcount at year-end	**31/12/2018**	**31/12/2017**
France/UK	2,510	2,429
Belgium / Luxembourg	216	276
Italy	1,840	1,711
Spain/Portugal	1,600	1,432
Total	**6,166**	**5,848**
Consultants	5,700	5,422
Consultants (%)	92%	93%
Administration and sales	466	426
Total	**6,166**	**5,848**

Revenue	**400,579**	**348,721**
Ratio Staff costs/Revenue	**68.1%**	**68.4%**

	2018	2017
Productivity rate	93.3%	93.4%
Downtime between contracts	6.0%	6.1%

The Group's workforce rose from 5,848 to 6,166 employees, or a net increase of 318 employees in the period. More than 1,600 employees were recruited and joined the Group in 2018. These figures include subcontractor consultants.

The productivity rate is the actual number of days billed divided by total billable days. The number of days billable equals the number of consultants present at the end of the period multiplied by the number of working days in a month minus any day off for holidays ((paid leave and time off in lieu of France's 35-hour working week) an illness. The number of billable days equals to the number of days billed less any training and technology watch days and any time spent on other unbillable tasks (pre-sales, downtimes between contracts, in-house projects, etc.).

The monthly downtime rate is the number of days not devoted to projects and excluding consultants defined as absent (production staff) divided by the working days in a given month in relation to the number of consultants present at the end of the month. The annual downtime rate is the average number of consultants between contracts in a calendar year as defined above divided by the average number of consultants for the year. Consultants on holiday, sick leave or not available are excluded from this calculation of downtime.

No other calculation methods are used other than those outlined above.

III.2. Other operating income and expenses

(€ '000s)	31/12/2018	31/12/2017
Net non-recurring items	(859)	(1,373)
Gains and losses on asset disposals	(48)	-
Remeasurement of liabilities linked to put options of non-controlling interests		2,160
Total	**(907)**	**787**

Net non-recurring items consist primarily of restructuring costs in the amount of €0.9 million.

III.3. Other financial income and expenses

(€ '000s)	31/12/2018	31/12/2017
Interest expense	(456)	(395)
Net borrowing costs	**(456)**	**(395)**
Other financial income and expenses	**183**	**301**

Financial expenses represent mainly interest paid to banks and borrowings.

Financial income includes interest from cash investments and capital gains from the disposal of investment securities (UCITS).

III.4. Income tax expenses

Effective tax rate: the difference between the French current tax rate and the effective tax rate is presented below:

(€ '000s)	31/12/2018	31/12/2017
Current taxes	(12,402)	(9,643)
Deferred taxes	481	(2)
Total	**(11,921)**	**(9,645)**

(€ '000s)	31/12/2018	31/12/2017
Pre-tax profit	39,248	33,582
Theoretical French tax expense	13,301	11,562
Current French tax expense	33.89%	34.43%
Impact of tax rate differences	(1,350)	(1,202)
Effect of permanent/timing differences	(1,993)	(2,637)
Allocation of prior losses	195	-
Capitalisation of loss carryforwards	(345)	-
Unrecognised deferred taxes	-	-
Taxes not based on taxable income (local French and Italian business taxes: CVAE / IRAP)	3,210	2,831
Other	(1,097)	(909)
Total	**11,921**	**9,645**

Breakdown of deferred taxes

At 31 December 2018

(€ '000s)	Opening	Increase	Decrease	Closing amount
Deferred tax assets	-	-	-	-
Tax loss carryforwards	376	345	195	526
Temporary differences	1,269	331	-	1,600
Total deferred tax assets	**1,645**	**676**	**195**	**2,126**
Deferred tax liabilities	-	-	-	-
Temporary differences	2	4	-	6
Total deferred tax liabilities	**2**	**4**	**0**	**6**

At 31 December 2017

(€ '000s)	Opening	Increase	Decrease	Closing amount
Deferred tax assets	-	-	-	-
Tax loss carryforwards	376	-	-	376
Temporary differences	1,304	198	233	1,269
Total deferred tax assets	**1,680**	**198**	**233**	**1,645**
Deferred tax liabilities	-	-	-	-
Temporary differences	29	-	27	2
Total deferred tax liabilities	**29**	**0**	**27**	**2**

III.5. Attributable to non-controlling interests

There were no non-controlling interests at 31 December 2018.

III.6. Diluted earnings per share

Diluted earnings per share take into account the maximum impact of dilutive instruments of ordinary shares In consequence, the weighted average number of shares is adjusted for dilutive instruments: in-the-money stock options and restricted stock units outstanding at 31 December 2018 or 98,500 shares.

	31/12/2018	31/12/2017
Income attributable to shareholders (€ 000s)	27,327	23,937
Basic weighted average number of shares	13,114,172	13,075,990
Diluted weighted average number of shares	13,212,672	13,176,790
RPA (in €)	**2.08**	**1.83**
Diluted earnings per share	2.07	1.82

III.7. Audit and consulting fees

	BCRH & Associés				Constantin			
(€ '000s excl. VAT)	**31/12/2017**		**31/12/2018**		**31/12/2017**		**31/12/2018**	
Certification of the annual and consolidated financial statements	130	98%	133	97%	156	92%	160	92%
Ancillary assignments	3	1%	4	3%	13	8%	14	8%
Total	**133**	**100%**	**137**	**100%**	**169**	**100%**	**174**	**100%**

Related services other than those relating to the certification of accounts represent services required by law and regulations (the report required when considering the distribution of interim dividends, etc.) as well as services provided at the entity's request (third-party assurance engagement provided for by article L 225.102-1of the French commercial code on CSR information and the statement of financial information produced in connection with loan agreements).

NOTES TO THE BALANCE SHEET

III.8. Changes in goodwill

At 31 December 2018

(€ '000s)	Beginning of period	Acquisitions / Increases	Disposals / Reversals	End of period
Gross value	141,878	-	-	141,878
Impairment	(17,777)	-	-	(17,777)
Value	124,101	-	-	124,101

Goodwill is tested for impairment annually according to the method described herein in the section entitled "Accounting policies/ Goodwill" p. 40.

Based on the result of these tests, no impairment charges were recorded at 31 December 2018.

In addition, a sensitivity analysis was conducted based on the following parameters:

- +1 point in the discount rate,
- -1 point in the perpetuity growth rate.

No additional risks were identified from these new tests.

Goodwill generated by cash generating units

(€ '000s)	31/12/2017			31/12/2018
CGU	Goodwill	Increase	Decrease	Goodwill
France	53,849			53,849
Belux	11,301			11,301
Spain	13,283			13,283
Portugal	2,800			2,800
Italy	42,868			42,868
Total	**124,101**	**0**	**0**	**124,101**

At 31 December 2017

(€ '000s)	Beginning of period	Acquisitions / Increases	Disposals / Reversals	End of period
Gross value	124,656	17,222	-	141,878
Impairment	(17,777)	-	-	(17,777)
Value	106,879	17,222	-	124,101

The change in goodwill in 2017 amounted to €17,222,000.

This represented mainly the valuation of goodwill in connection with the purchase of the Italian business division (or business goodwill) integrated on 1 October 2017.

III.9. Statement of fixed assets

At 31 December 2018

€ thousands (gross value)	01/01/2018	First-time consolidation	Acquisitions	Disposals	Reclassification	Deconsolidated companies	31/12/2018
Uncalled subscribed capital	-	-	-	-	-	-	-
R&D expenditures	-	-	-	-	-	-	-
Licenses and software	4,810	-	249	-	-	-	5,059
Other intangible assets	80	-	-	-	-	-	80
Goodwill	141,878	-	-	-	-	-	141,878
Property, plant and equipment	16,294	-	1,838	(174)	-	-	17,958
Equity-accounted investees	0	-	-	-	-	-	0
Fixed securities	110	-	7	(57)	38	-	98
Deposits and guarantees	1,976	-	459	-	-	-	2,435
TOTAL	**165,148**	**-**	**2,553**	**(231)**	**38**	**-**	**167,508**

At 31 December 2017

€ thousands (gross value)	01/01/2017	First-time consolidation	Acquisitions	Disposals	Change of method	Deconsolidated companies	31/12/2017
Uncalled subscribed capital	-	-	-	-	-	-	-
R&D expenditures	-	-	-	-	-	-	-
Licenses and software	4,511	-	300	(1)	-	-	4,810
Other intangible assets	80	-	-	-	-	-	80
Goodwill Securities***	124,656	17,222	-	-	-	-	141,878
Property, plant and equipment	14,249	180	1,879	(14)	-	-	16,294
Equity-accounted investees	0	-	-	-	-	-	0
Fixed securities	110	-	-	-	-	-	110
Deposits and guarantees	1,976	-	-	-	-	-	1,976
TOTAL	**145,582**	**17,402**	**2,179**	**(15)**	**-**	**-**	**165,148**

Amortisation, depreciation and impairment:

At 31 December 2018

(€ '000s)	01/01/2018	First-time consolidation	Allowances	Reversals/Disposals	Reclassification	Deconsolidated companies	31/12/2018
Start-up costs	-	-	-	-	-	-	-
R&D expenditures	-	-	-	-	-	-	-
Licenses and software	(4,084)	-	(295)	-	-		(4,379)
Other intangible assets	(80)	-	-	-	-	-	(80)
Goodwill Securities***	(17,777)	-	-	-	-	-	(17,777)
Property, plant and equipment	(11,388)	-	(1,361)	75	-	-	(12,674)
Financial assets	(186)	-	-	-	(38)	-	(224)
TOTAL	**(33,515)**	**-**	**(1,656)**	**75**	**(38)**	**-**	**(35,134)**

At 31 December 2017

(€ '000s)	01/01/2017	First-time consolidation	Allowances	Reversals/Disposals	Change of method	Deconsolidated companies	31/12/2017
Start-up costs	-	-	-	-	-	-	-
R&D expenditures	-	-	-	-	-	-	-
Licenses and software	(3,801)	-	(284)	1	-		(4,084)
Other intangible assets	(80)	-	-	-	-	-	(80)
Goodwill Securities***	(17,777)	-	-	-	-	-	(17,777)
Property, plant and equipment	(10,024)	(47)	(1,330)	13	-	-	(11,388)
Financial assets	(186)	-	-	-	-	-	(186)
TOTAL	**(31,868)**	**(47)**	**(1,614)**	**14**	**-**	**-**	**(33,515)**

III.10. Equity-accounted investees

None.

III.11. Trade receivables and related accounts

(€ '000s)	31/12/2018	31/12/2017(1)
Trade receivables - Gross value	116,493	97,381
Impairment	(733)	(685)
Contract assets	**20,649**	**20,981**
Trade receivables and contract assets	**136,409**	**117,677**
Contract liabilities	(17,528)	(15,593)
Trade receivables and contract assets net of contract liabilities	**118,870**	**102,084**
Days sales outstanding (DSO)	**89**	**81**

(1) Comparative information presented for 2017 and FY 2017 was restated to eliminate the retrospective impact linked to the application of IFRS 15. – See the paragraph in the chapter Accounting Policies, "Application of IFRS 15 on 1 January 2018".

III.12. Other receivables and related accounts

(€ '000s)	31/12/2018	31/12/2017
Social security receivables	10,833	9,341
Tax receivables	19,766	20,332
Other receivables	2,958	3,179
Deferred charges	2,335	2,126
Provisions Other trade receivables	-	-
Total	**35,892**	**34,978**

III.13. Share capital

As of 31 December 2018, the share capital totalled €6,568,398 divided into 13,136,796 shares with a par value of €0.50 per share fully subscribed and paid-up of the same class.

See "General information about the company and its capital", p. 98 of the original French document).

III.14. Dealings in own shares in 2018

Summary for 2018				
	Number of shares repurchased	Weighted average price	Number of shares resold	Weighted average price
Liquidity contract	169,659	€36.23	169,283	36.25
Excl. the Liquidity contract	Number of shares repurchased	Weighted average price	Number of shares granted/cancelled	Weighted average price
Hedging of commitments to deliver securities	-	- €	-	- €
Cancellation	-	- €	-	- €
Subtotal	-	- €	-	- €
TOTAL	**169,659**	**€36.23**	**169,283**	**€36.25**

Own shares held at 31 December 2018	
Shares allocated to the liquidity agreement	6,829
Shares to be cancelled	
Shares set aside for remittance in connection with stock options/RSUs/external growth	828
TOTAL	**7,657**

III.15. Borrowings and financial liabilities

At 31 December 2018

(€ '000s)		2018		2017
	Amount	**Less than 1 year**	**More than 1 year**	**Amount**
Bank borrowings	19,165	8,672	10,493	22,060
Creditor banks	147	147	-	172
Other financial liabilities	0	-	-	0
Borrowings and financial liabilities	**19,312**	**8,819**	**10,493**	**22,232**
Marketable securities	-	-	-	222
Cash at bank and in hand	19,519	-	-	16,442
Cash at bank and in hand	**19,519**	**0**	**0**	**16,664**
(Net debt)/Net cash	**207**	**(8,819)**	**(10,493)**	**(5,568)**

Cash and cash equivalents (€ thousands)	**31/12/2018**	**31/12/2017**
Cash at bank and in hand	19,519	16,442
Short-term investments	-	222
Bank overdrafts	(147)	(172)
Total cash and cash equivalents	**19,372**	**16,492**

Breakdown of bank borrowings and financial liabilities by interest rate:

(€ '000s)	**31/12/2018**	**31/12/2017**
Fixed-rate	1,350	2,100
Floating rate	17,815	19,960
Total	**19,165**	**22,060**

At 31 December 2017

(€ '000s)		2017		2016
	Amount	Less than 1 year	More than 1 year	Amount
Bank borrowings	22,060	10,232	11,828	19,709
Creditor banks	172	172	-	0
Other financial liabilities	0	-	-	0
Borrowings and financial liabilities	**22,232**	**10,404**	**11,828**	**19,709**
Marketable securities	222	-	-	473
Cash at bank and in hand	16,442	-	-	23,673
Cash at bank and in hand	**16,664**	**0**	**0**	**24,146**
(Net debt)/Net cash	**(5,568)**	**(10,404)**	**(11,828)**	**4,437**

III.16. Provisions for contingencies and expenses and other non-current liabilities

(€ '000s)	31/12/2018	31/12/2017
Provisions for litigation contingencies	2,766	3,099
Provisions for pensions and retirement benefits	2,562	2,392
Total	**5,328**	**5,491**

(€ '000s)	31/12/2017	Increase	Decrease	31/12/2018
Provisions for pensions and retirement benefits	**2,392**	**392**	**222**	**2,562**

	31/12/2018	31/12/2017
Commitments at start of period	**2,392**	**2,124**
Service costs	225	197
Finance costs	27	23
Actuarial gains or losses	-82	48
Commitments at end of period	**2,562**	**2,392**

Other non-current liabilities

(€ '000s)	31/12/2018	31/12/2017
Non-current liabilities linked to put options of non-controlling interests	-	-
Tax payables (other than income tax)	0	0
Deferred revenue	2	4
Total	**2**	**4**

III.17. Trade payables and related accounts

(€ '000s)	31/12/2018	31/12/2017
Trade payables	26,526	24,352
Current liabilities linked to put options on non-controlling interests	4	2,580
Total	**26,530**	**26,932**

III.18. Other payables and accruals

(€ '000s)	31/12/2018	31/12/2017
Employee-related payables	56,538	53,194
Tax payables (other than income tax)	31,118	28,973
Miscellaneous trade payables	4,924	6,684
Other payables and accruals	-	-
Total	**92,580**	**88,851**

III.19. Off-balance sheet commitments

Commitments given on non-cancellable leases

(€ '000s)	Total	Payments due by period		
Contractual obligations		**Less than one year**	**One to five years**	**More than five years**
Finance lease obligations	5,048	1,890	3,158	0
Operating lease (offices)	10,820	4,650	6,170	0
Other long-term obligations	1,178		1,178	0
Total	**17,046**	**6,540**	**10,506**	**0**

III.20. Segment information

The Group analyses and measures business performance by country (France, Spain, Italy, etc.).

These are in turn divided into two geographical operating segments: "International" which includes Belux (Belgium and Luxembourg), Iberia (Spain and Portugal) and Italy and "France".

The inclusion of Belux, Spain/Portugal and Italy in a single operating segment is based on the observation as to their similarities based on criteria regarding the nature of products and services, the type or category of customers, the methods used to provide services, the nature of the regulatory environment and their identical economic profile, notably in terms of profitability (gross margin).

First level segment information– geographical segment information

Fiscal year ended 31 December 2018 (€ '000s)	FRANCE/UK	INTERNATIONAL	Inter-segment eliminations	TOTAL
Revenue	207,280	194,412	(1,113)	400,579
Other operating income	50	196	(1)	245
Purchases	(26,582)	(32,070)	958	(57,694)
External charges	(8,090)	(15,412)	144	(23,358)
Staff costs	(144,258)	(128,590)		(272,848)
Taxes other than on income	(3,099)	(79)		(3,178)
Allowances for depreciation and amortisation	(794)	(862)		(1,656)
Amortisation, depreciation and provisions	(16)	(342)		(358)
Change in inventories of work in progress and finished goods				
Other current operating income and expenses	(140)	290	12	162
Total operating profit from ordinary activities	**24,351**	**17,543**	**0**	**41,894**
Other operating income and expenses	(1,791)	(582)		(2,373)
Total non-recurring operating income and expenses	(1,791)	(582)		(2,373)
Operating profit	**22,560**	**16,951**	**0**	**39,521**
Intangible assets	240	438		678
Goodwill	53,849	70,252		124,101
Property, plant and equipment	3,997	1,287		5,284
Equity-accounted investees	0			0
Other financial assets	58,953	(45,152)	(11,492)	2,309
Deferred taxes	1,150	976		2,126
Total non-current assets	**118,189**	**27,801**	**(11,492)**	**134,498**
Inventories and work in progress		378		378
Trade and other receivables	63,101	110,674	(18,214)	155,560
Tax receivables	13,618	788		14,406
Other current assets	4,465	1,256	(3,386)	2,335
Marketable securities and other investments	0	0		0
Cash at bank and in hand	14,139	5,380		19,519
Total current assets	**95,322**	**118,476**	**(21,600)**	**192,198**
Total non-current assets and disposal groups of assets held for sale	-	-	-	-
Total assets	**213,511**	**146,277**	**(33,092)**	**326,696**
Borrowings and financial liabilities	9,261	12,724	(11,492)	10,493
Employee benefit liabilities	2562	0		2562
Other provisions	378	2,388		2,766

Fiscal year ended 31 December 2018 (€ '000s)	FRANCE/UK	INTERNATIONAL	Inter-segment eliminations	TOTAL
Deferred taxes	0	6		6
Other non-current liabilities	0	2		2
Total non-current liabilities	**12,201**	**15,120**	**(11,492)**	**15,829**
Borrowings and bank facilities (current portion)	8,659	3,546	(3,386)	8,819
Provisions (current portion)		33		33
Trade and other payables	48,594	81,414	(18,214)	111,794
Tax payables	5,341	3,395		8,736
Other current liabilities	3,519	12,556		16,075
Total current liabilities	**66,113**	**100,944**	**(21,600)**	**145,457**
Total liabilities linked to a disposal group of assets held for sale	-	-	-	-
Total liabilities	**78,314**	**116,064**	**(33,092)**	**161,286**
Total capital expenditures	**1,530**	**555**		**2,085**

Fiscal year ended 31 December 2017 (€ '000s)	FRANCE/UK	INTERNATIONAL	Inter-segment eliminations	TOTAL
Revenue	188,072	161,500	(851)	348,721
Other operating income	31	224		255
Purchases	(23,557)	(28,758)	740	(51,575)
External charges	(7,522)	(13,543)	112	(20,953)
Staff costs	(133,598)	(104,910)		(238,503)
Taxes other than on income	(2,650)	(64)		(2,714)
Allowances for depreciation and amortisation	(594)	(927)		(1,521)
Amortisation, depreciation and provisions	(8)	(300)		(308)
Change in inventories of work in progress and finished goods		3		(23)
Other current operating income and expenses	67	478	(1)	544
Total operating profit from ordinary activities	**20,240**	**13,678**	**0**	**33,918**
Other operating income and expenses	(1,493)	1,251		(242)
Total non-recurring operating income and expenses	(1,493)	1,251		(242)
Operating profit	**18,747**	**14,929**		**33,676**
Intangible assets	111	615		726
Goodwill	53,849	70,252		124,101
Property, plant and equipment	3,390	1,516		4,906
Equity-accounted investees	0			0
Other financial assets	61,141	(45,469)	(13,752)	1,920
Deferred taxes	893	752		1,645
Total non-current assets	**119,384**	**27,666**	**(13,752)**	**133,298**
Inventories and work in progress		350		350
Trade and other receivables	57,098	88,126	(9,142)	136,082
Tax receivables	13,249	1,199		14,448
Other current assets	3,300	1,096	(2,270)	2,126
Marketable securities and other investments	222	0		222

Fiscal year ended 31 December 2017 (€ '000s)	FRANCE/UK	INTERNATIONAL	Inter-segment eliminations	TOTAL
Cash at bank and in hand	6,903	9,539		16,442
Total current assets	**80,771**	**100,310**	**(11,412)**	**169,669**
Total non-current assets and disposal groups of assets held for sale	-	-	-	-
Total assets	**200,155**	**127,976**	**(25,164)**	**302,967**
Borrowings and financial liabilities	11,418	14,162	(13,752)	11,828
Employee benefit liabilities	2392	0		2392
Other provisions	471	2,628		3,099
Deferred taxes	0	2		2
Other non-current liabilities	0	4		4
Total non-current liabilities	**14,281**	**16,796**	**(13,752)**	**17,325**
Borrowings and bank facilities (current portion)	10,404	2,270	(2,270)	10,404
Provisions (current portion)		5		5
Trade and other payables	46,719	73,793	(9,142)	111,370
Tax payables	2,330	4,467		6,797
Other current liabilities	2,761	10,443		13,204
Total current liabilities	**62,214**	**90,978**	**(11,412)**	**141,780**
Total liabilities linked to a disposal group of assets held for sale	-	-	-	-
Total liabilities	**76,496**	**107,774**	**(25,164)**	**159,105**
Total capital expenditures	**1,330**	**12,063**		**13,393**

Second level segment information – Revenue by business segment

31 December 2018

(€ millions) - Operating Segment	France/UK	International	Total
Geographical regions			
France/UK	207.1		207.1
Italy		101.8	101.8
Iberian Peninsula		69.3	69.3
Benelux		22.4	22.4
Total	**207.1**	**193.5**	**400.6**
Customer business sectors			
Banking/Finance	98.0	56.0	154.0
Insurance and personal protection coverage	76.0	17.2	93.2
Public sector	2.4	29.8	32.2
Services/Utilities	7.6	21.0	28.6
Industry & Transport	12.2	16.8	29.0
Telecoms, Media & Gaming	9.1	49.8	58.9
Retail and distribution	1.8	2.9	4.7
Total	**207.1**	**193.5**	**400.6**
Revenue recognition method			
Goods/services on a proportional performance basis	207.1	193.1	400.2
Goods/services on completed sales basis		0.4	0.4
Total	**207.1**	**193.5**	**400.6**

31 December 2017

(€ millions) - Operating Segment	France/UK	International	Total
Geographical regions			
France/UK	187.8		187.8
Italy		75.8	75.8
Iberian Peninsula		61.9	61.9
Benelux		23.2	23.2
Total	**187.8**	**160.9**	**348.7**
Customer business sectors			
Banking/Finance	83.4	54.5	137.9
Insurance and personal protection coverage	72.8	16.5	89.3
Public sector	1.1	27.8	28.9
Services/Utilities	8.3	14.5	22.8
Industry & Transport	11.1	17.3	28.4
Telecoms, Media & Gaming	8.9	28.6	37.5
Retail and distribution	2.2	1.7	3.9
Total	**187.8**	**160.9**	**348.7**
Revenue recognition method			
Goods/services on a proportional performance basis	187.8	160.1	347.9
Goods/services on completed sales basis		0.8	0.8
Total	**187.8**	**160.9**	**348.7**

III.21. Information on the management of financial risks

This section includes disclosures required under IFRS 7.

The Group’s main financial risks are credit risk, liquidity risk and market risk.

Credit risk

The main financial assets consist of trade receivables and investments of excess cash.

Trade receivables

Aubay's customer portfolio consists exclusively of key accounts based in all regions where it operates. The risk of default by the latter remains relatively low regardless of their business sector. No significant impact has been identified by analysing credit risk with respect to the provisions of IFRS 9.

At 31 December 2018, Aubay's 10 largest customer accounted for 55% of its total revenue.

(€ '000s)	31/12/2018	Receivables not due	Receivables past due		
			less than 6 months	6 to 12 months	more than 12 months
Net trade receivables and related accounts(*)	**116,255**	**90,253**	**22,715**	**2,136**	**1,151**

(*) Excl. notes receivable and unbilled receivables

Equity risks

Most of the company's cash is placed in money market funds which are by nature low risk. Treasury shares which are deducted from equity have no impact on the Group's profitability in the event of a change in share price.

Liquidity risk

Financial liabilities represent primarily financial debt and selected operating payables.

At 31 December 2018, Aubay's gross financial debt totalled €19.3 million and consisted almost entirely of bank borrowings. These loans are repayable annually over a maximum period of five years.

In addition, through its main subsidiaries grouped according to geographical region, the Group has negotiated credit facilities and bank discounts with major banks in line with its requirements and under its control (see page 28).

The largest loan of €5 million is subject to covenants which are presented below:

- R1: Net borrowings/ restated EBITDA
- R2: Free cash flow/Interest expense
- R3: Net borrowings/equity

12 month period ending	R1 less than	R2 greater than	R3 less than
31/12/2015	1.75	1	0.7
31/12/2016	1.75	1	0.6
31/12/2017	1.5	1	0.6
31/12/2018	1.5	1	0.6

Covenants at 31 December 2018 were respected.

Financial liabilities not discounted by maturity:

(€ '000s)	31/12/2018	31/12/2019	31/12/2020	31/12/2021
Bank debt	19,165	10,493	5,601	2,277
Bank overdraft	147	-	-	-
Total	**19,312**	**10,493**	**5,601**	**2,277**

Financial assets

At 31/12/2018

(€ '000s)	Available-for-sale assets	Loans and receivables	Fair value through profit or loss	Fair value	Total assets
Non-current financial assets	-	2,249	-	60	2,309
Trade receivables and contract assets	-	136,409	-		136,409
Other current financial assets	-	35,892	-		35,892
Marketable securities and cash and cash equivalents	-		-	19,519	19,519
Total	**-**	**174,550**	**-**	**19,579**	**194,129**

Financial liabilities

At 31/12/2018

(€ '000s)	Available-for-sale liabilities	Debt at amortised cost	Fair value through profit or loss	Fair value	Total assets
Other long-term financial debt	-	10,493	-	-	10,493
Other non-current financial liabilities	-	2	-	-	2
Bank overdrafts	-		-	147	147
Other current financial debt	-	8,672	-	-	8,672
Trade payables	-	26,530	-	-	26,530
Other current liabilities and contract liabilities	-	110,108	-		110,108
Total	**-**	**155,805**	**-**	**147**	**155,952**

Financial assets
At 31/12/2017

(€ '000s)	Available-for-sale assets	Loans and receivables	Fair value through profit or loss	Fair value	Total assets
Non-current financial assets	-	1,867	-	53	1,920
Trade receivables and contract assets	-	117,677	-	-	117,677
Other current financial assets	-	34,978	-	-	34,978
Marketable securities and cash and cash equivalents	-	-	-	16,664	16,664
Total	**-**	**154,522**	**-**	**16,717**	**171,239**

Financial liabilities
At 31/12/2017

(€ '000s)	Available-for-sale liabilities	Debt at amortised cost	Fair value through profit or loss	Fair value	Total assets
Other long-term financial debt	-	11,828	-	-	11,828
Other non-current financial liabilities	-	4	-	-	4
Bank overdrafts	-		-	172	172
Other current financial debt	-	10,232	-	-	10,232
Trade payables	-	26,932	-	-	26,932
Other current liabilities and contract liabilities	-	89,137	-	15,307	104,444
Total	**-**	**138,133**	**-**	**15,479**	**153,612**

Market risk

Interest rate risks

Interest rate risk stems mainly from €18 million in floating-rate loans and €1.4 million in fixed rate loans. The Company in consequence theoretically has a limited exposure to an increase in interest rates. In addition, the Group has €19.5 million in cash at 31 December 2018.

Exchange rate risk

Aubay's business is concentrated in the euro zone and its growth strategy is focused on this region. For that reason, its exchange rate risk has been nil since 1 January 1999.

III.22. Transactions with related parties

a) Compensation of executive officers

Table summarising compensation, stock options and shares awarded to the executive officers

	Financial year N	Financial year N-1
Total	2,531,263 €	2,229,457 €

b) Associates

Potential share capital: stock option plan and restricted stock units.

Stock option plan

At 31 December 2018 no stock options have been issued by the Company.

Restricted stock units

Making use of the delegations of authority granted to it by the general meetings of 10 May 2016, the Board awarded restricted stock units to selected employees and executive officers of the Group.

A summary is provided below of restricted stock units awarded but not yet vested at 31 December 2018:

RESTRICTED STOCK UNITS (free shares)

	Plan 11		Plan 12		Plan 13		Plan 14		Plan 15		Plan 16	
Awards	**2017**		**2017**		**2017**		**2018**		**2018**		**2018**	
General Meeting date	10-May-16		10-May-16		10-May-16		10-May-16		10-May-16		10-May-16	
Board of Directors' meeting date	24-Jan-17		24-Jan-17		24-Jan-17		24-Jan-18		Jan. 25-18		Jan. 25-18	
Total maximum number of shares granted	36,000		6,000		23,000		36,000		6,000		6,000	
Number of beneficiaries concerned **(1)**	6		1		12		6		1		3	
Aubay S.A. executive officers ***(1)***	5		0		0		5		0		0	
10 highest paid Aubay S.A. employee beneficiaries ***(1)*** ***number/volume***	1 (6000)		0		3 (6000)		1 (6000)		0		1 (6000)	
Vesting date of shares and maximum number to be granted	24-Jan-19	36,000	24-Jan-18	6,000	24-Jan-19	23,000	24-Jan-20	36,000	24-Jan-19	6,000	24-Jan-20	6,000
Date the shares become available	2 year vesting period		1 year vesting period and 1 year holding period		2 year vesting period and 1 year holding period		2 year vesting period		1 year vesting period and 1 year holding period		2 year vesting period and 1 year holding period	
Vesting terms and conditions	Yes*		No		yes		Yes*		No		yes	
Total number of shares vested at year-end	0		6,000		0		0		0		0	
Maximum number of shares remaining to be acquired at year-end (subject to fulfilment of the vesting conditions)	36,000		0		14,500		36,000		6,000		6,000	

(1) on the grant date

** Condition of presence of two years and performance of the Aubay share in relation to the StoxxEurope TMI Software & Computer Services index, measured over a two-year period. Underperformance disqualifies the beneficiary for the restricted stock unit programme*

The aggregate number of shares that may be issued by exercising restricted stock units is in consequence 98,500 shares, or a potential dilution of 0.74 %.

No other form of a potential share capital exists.

III.23. Consolidated companies at 31 December 2018

All the Group' subsidiaries are included in this list.

Company	Ownership interest (%)	Method	Registered office
Aubay	Consolidating parent company		13, rue Louis Pasteur 92100 Boulogne Billancourt
Spain/Portugal			
Aubay Spain	100%	FC	Dr. Zamenhof, 36 Dupl., 2° pl. 28027 Madrid
Aubay Portugal	100%	FC	Avenida da Republica 101, 3°A 1050 – 190 Lisbon
Cast-Info (merged into Aubay Spain au 31/12/2018)	100%	FC	Ronda Sant Pere, 52 3ª Planta 08010 Barcelona
Belgium / Luxembourg			
Aubay (Luxembourg)	100%	FC	38, rue Pafebruch L-8308 Capellen Luxembourg
Promotic Belgique	100%	FC	Route de Louvain-La-Neuve, 4 boîte 32 B Belgrade
Italy			
Aubay Italy Spa	100%	FC	Largo la Foppa 2 20121 Milan

Aubay UK, created at the end of 2013 was consolidated for the first time in 2015. Because the figures are insignificant, they are included with those of the parent company in the France region.

GENERAL INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

I. GENERAL INFORMATION

Company name (Art. 3 of the articles of association)
Aubay

Registered office
13 rue Louis Pasteur, 92100 Boulogne-Billancourt.

Telephone numbers
Reception: +33 (0)1 46 10 67 67
Fax: +33 (0)1 46 10 67 68

Date of incorporation and length of life of the Company
The Company was incorporated on 10 November 1944 for a period of 90 years effective from its date of entry in the Trade and Companies Register (*Registre de commerce et des sociétés*), barring early liquidation or extension.

Legal form
A French joint stock company (*Société Anonyme*) incorporated under and governed by French law (notably the French commercial code and Companies Act No. 67-236 of March 23, 1967).

French trade and company register
Nanterre (RCS No. 391 504 693)

LEI code:969500KGFSDP6UUKIA67

French industry code (APE) and business sector designation
6202A - IT systems and software consulting

Place where documents and information concerning the Company may be consulted
The Company's articles of association, reports, of shareholder meeting minutes can be consulted at the registered office.

Corporate purpose (Art. 2 of the articles of association)
The Company's direct or indirect purpose in all countries is: IT and in particular: research, creation, development, dissemination, information, introduction, application, operation and marketing relating to any methods or software, and more generally, any industrial, commercial or financial transactions, pertaining to moveable or immoveable property, that may be directly or indirectly related to the corporate purpose or to any similar or relevant purpose that may facilitate growth and development.

The Company may acquire interests in any existing or future businesses or companies in France or abroad which are directly or indirectly linked to its corporate purpose or to any similar or related purpose, notably businesses or companies whose purpose may contribute to the achievement of Aubay's corporate purpose, by any means including the contribution, subscription or purchase of stocks, company shares of beneficial shares or via mergers, joint ventures, alliances or limited partnerships.

To this end, the company may, in particular, establish, acquire, manage, outsource the management of and operate any establishments, even for third parties, in accordance with the legal provisions for all operations relating directly or indirectly to its corporate purpose.

Financial year (Art. 14 of the articles of association)
From 1 January to 31 December of each year.

Provisions regulating the disclosure of ownership thresholds
With regards to requirements to disclose the crossing of ownership thresholds, the provisions applying are those provided for by statute.

Appointing and replacing directors
The articles of association on this matter refer to the applicable provisions of the law.

Modifications to the Articles of Association
Changes to the articles of association may be made in accordance with the relevant provisions of the law.

General Meetings (Art. 12 of the articles of association)
General meetings are called and held in accordance with the provisions of French law. Such meetings are held at the registered office or any other venue indicated in the meeting notice.

Terms and conditions for the payment of dividends (Art. 13 of the articles of association)
Dividends are paid on the date and in the places fixed by the shareholders' meeting, or failing this, by the Board of Directors. The Board of Directors may, before the financial statements of the year have been approved, proceed with one or more payments of interim dividends. The general meeting voting on the financial statements of the period may grant each shareholder for all or part of the dividend payout, the option to receive payment in cash or shares for the dividend or interim dividend according to the procedures provided for by statute and the articles of association.

Appropriation of earnings as provided by the Company's articles
The articles of association do not provide for any special provisions for the appropriation of earnings.

Identification of bearer shareholders: Bearer shareholders (*Titres au Porteur Identifiables*) (Art. 8 of the articles of association)
In accordance with article L. 228-2 of the French commercial code, the Company may request at any time Euroclear to disclose the identity of holders of identifiable bearer shares.

Double voting rights (Art. of the articles of association)
By virtue of a decision of the extraordinary general meeting of 17 December 1997, Aubay's articles of association provide that every registered share, fully paid up and registered for at least two years in the name of the same shareholder, as of that date, carries a double voting right.

Shares that may be granted to a shareholder as a result of existing shares carrying a double voting right shall also carry a double voting right.

The double voting rights ceases to exist for any share converted to bearer form or on transfer, excluding any transfer of the registered share to the bearer pursuant to inheritance or a gift.

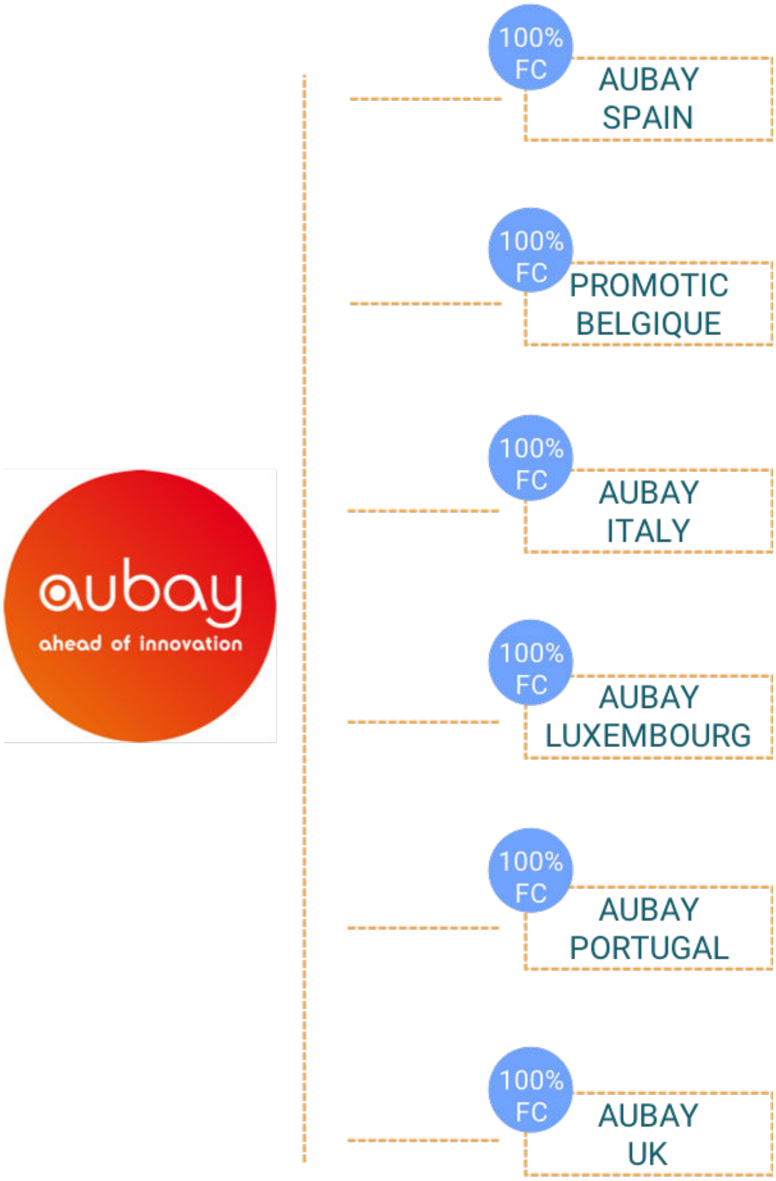
The double voting right may be cancelled by decision of the shareholders called to an extraordinary meeting after ratification of said decision by the general meeting of the beneficiaries.

Real estate property / Intellectual property
Because it does not own office properties (with the exception of the property located in Nanine), Aubay has concluded property leases with the owners of the premises occupied by the Group.

Aubay owns all brands deemed useful and exploited by the company. No executive officers or family member of executive officers possess significant assets used by the Company.

Investment policy
The main investments concern equity holdings of the capital of subsidiaries. To a more marginal extent, investments also concern the purchase of software and computer equipment.

Organisation chart at 31 December 2018



FC: full consolidation

II. INFORMATION ON THE CAPITAL

Share capital
As of 31 December 2018, the share capital totalled €6,568,398 divided into 13,136,796 shares with a par value of €0.5 per share fully subscribed and paid-up of the same class.

Breakdown of share capital and voting rights over the last three years to the best of the Company's knowledge
To the best of the Company's knowledge, the shareholder structure breaks down as follows:

At 31 December 2018					
Shareholder structure	**Number of shares**	**% of capital**	**% of voting rights**	**% of exercisable voting rights**	**% of exercisable voting rights**
Philippe Rabasse	2,018,767	15.37	4,037,534	20.56	20.56
Christophe Andrieux	1,003,542	7.64	2,001,084	10.19	10.19
Christian Aubert	966,659	7.36	1,898,385	9.67	9.67
Stéphanie Aubert Thomas	211,060	1.61	420,891	2.14	2.14
Vanessa Aubert	211,060	1.61	422,120	2.15	2.15
Philippe Cornette	567,305	4.32	1,067,786	5.44	5.44
Didier Lalanne	409,130	3.11	775,760	3.95	3.95
Vincent Gauthier family	346,925	2.64	681,850	3.47	3.47
Christian Meunier	281,000	2.14	544,000	2.77	2.77
Paolo Riccardi family	250,801	1.91	464,602	2.37	2.37
Treasury shares	7,657	0.06	-	-	-
Free float	6,870,547	52.30	7,324,410	37.30	37.30
Total	**13,136,796**	**100.00**	**19,638,422**	**100.00**	**100.00**

Note: Shares held by adult children which that were the subject of a note in the positions presented in 2017 are no longer consolidated in the positions presented at 31 December 2018. As such, only minor children and/or spouses are included under the "family" heading.

	Position at 31/12/2017				
Shareholder structure	**Number of shares**	**% of capital**	**% of voting rights**	**% of exercisable voting rights**	**% of exercisable voting rights**
Rabasse family	2,108,700	16.11	4,217,400	20.93	20.93
Of which adult children	*84,000*	*0.64*	*168,000*	*0.83*	*0.83*
Aubert family	1,553,846	11.87	3,106,463	15.42	15.42
Of which adult children	*422,120*	*3.22*	*842,811*	*4.18*	*4.18*
Andrieux family	1,144,026	8.74	2,216,052	11.00	11.00
Of which adult children	*100,000*	*0.76*	*140,000*	*0.69*	*0.69*
Cornette family	709,785	5.42	1,402,546	6.96	6.96
Of which adult children	*48,280*	*0.37*	*96,560*	*0.48*	*0.48*
Lalanne family	492,711	3.76	934,422	4.64	4.64
Of which adult children	*75,081*	*0.57*	*150,162*	*0.75*	*0.75*
Gauthier family	413,797	3.16	815,594	4.05	4.05
Meunier family	287,000	2.19	562,000	2.79	2.79
Riccardi family	282,000	2.15	514,801	2.55	2.55
Treasury shares	7,281	0.06	0	0.00	0.00
Free float	6,089,850	46.53	6,380,579	31.67	31.67
Total	**13,088,996**	**100.00**	**20,149,857**	**100.00**	**100.00**

	Position at 31/12/2016			
Shareholder structure	**Number of shares**	**% of share capital**	**% of exercisab le voting rights**	**% of exercisable voting rights**
Rabasse family	2,158,700	16.57	20.85	20.85
Aubert family	1,553,846	11.93	15.40	15.40
Andrieux family	1,138,025	8.74	11.25	11.25
Cornette family	753,596	5.79	7.43	7.43
Lalanne family	492,541	3.78	4.63	4.63
Gauthier family	460,838	3.54	4.54	4.54
Meunier family	297,000	2.28	2.88	2.88
Riccardi family	276,000	2.12	2.52	2.52
Treasury shares	7,859	0.06	0.00	0.00
Free float	5,896,891	45	30.49	30.49
Total	**13,035,296**	**100.00**	**100.00**	**100.00**

Insofar as the Company is aware, no agreement exists at 31 December 2018 providing for the shareholders to act in concert. (*action de concert*).

Insofar as the Company is aware, no shareholder included within the heading of “Free float” holds more than 5% of the share capital or voting rights.

To the Company’s knowledge, there are no other shareholders that possess directly, indirectly or in concert, 5% or more of the capital or voting rights.

To the Company’s knowledge, there are no agreements between the shareholders subject to an obligation to issue a declaration in accordance with the terms of the “Dutreil” law.

At the present time there are no preferred shares or an intention to create preferred shares.

In consequence, the dispersion of the shares, between a significant number of manager-shareholders and the absence of an action in concert eliminate the scenario whereby the company would be “controlled”.

The Company has no knowledge of any agreement whose execution would result in acquiring control.

To the Company’s knowledge, on the filing date of this document with the AMF, no significant modification of this paragraph has been made.

Individuals and legal entities holding a significant percentage of the Company at 31 December 2018 and to the Company’s knowledge
On 31 December 2018 the Company’s share capital was held mainly by Philippe Rabasse (15.37%), Christophe Andrieux (7.64 %), and Christian Aubert (7.36 %of the share capital).

Each of the shareholders mentioned above as a “family” shareholder group includes their personal holdings which continue to represent a major share in the amount indicated and the shares held by their minor children and/or spouse remain “marginal” in the family breakdown as presented.

Dealings in Aubay shares by executives

The following transactions were reported to the AMF and the public in in 2018:

2018								
Date	Name of the Executive	Function(s)	Instrument	Number of shares purchased	Total price	Number of shares sold	Total price	
Jan. 03-18	Paolo Riccardi	Deputy CEO	Shares	- €	- €	3,852	134,602 €	
04-Jan-18	Paolo Riccardi	Deputy CEO	Shares	- €	- €	2,060	70,611 €	
05-Jan-18	Paolo Riccardi	Deputy CEO	Shares	- €	- €	362	12,351 €	
08-Jan-18	Paolo Riccardi	Deputy CEO	Shares	- €	- €	3,912	133,486 €	
09-Jan-18	Paolo Riccardi	Deputy CEO	Shares	- €	- €	3,150	107,365 €	
10-Jan-18	Paolo Riccardi	Deputy CEO	Shares	- €	- €	1,652	56,228 €	
26-Jan-18	Paolo Riccardi	Deputy CEO	Shares	- €	- €	6,842	252,679 €	
29-Jan-18	Paolo Riccardi	Deputy CEO	Shares	- €	- €	3,170	117,762 €	
19-Apr-18	Vincent Gauthier	Director / Deputy CEO	Shares	- €	- €	281	11,576 €	
20-Apr-18	Vincent Gauthier	Director / Deputy CEO	Shares	- €	- €	271	10,841 €	
20-Apr-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	2,625	107,059 €	
20-Apr-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	1,660	67,247 €	
23-Apr-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	1,303	52,121 €	
24-Apr-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	493	19,720 €	
24-Apr-18	Vincent Gauthier	Director / Deputy CEO	Shares	- €	- €	3,411	135,290 €	
25-Apr-18	Vincent Gauthier	Director / Deputy CEO	Shares	- €	- €	2,037	79,118 €	
26-Apr-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	282	11,280 €	
27-Apr-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	3,467	138,700 €	
30-Apr-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	62	2,480 €	
04-May-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	6,590	263,600 €	
04-May-18	Vincent Gauthier	Director / Deputy CEO	Shares	- €	- €	1,000	40,741 €	
14-May-18	Christophe Andrieux	Deputy CEO	Shares	6,000	- €	- €	- €	Acquisition of RSUs
14-May-18	Philippe Cornette	Deputy CEO	Shares	6,000	- €	- €	- €	Acquisition of RSUs
14-May-18	Vincent Gauthier	Director / Deputy CEO	Shares	6,000	- €	- €	- €	Acquisition of RSUs
14-May-18	Paolo Riccardi	Deputy CEO	Shares	6,000	- €	- €	- €	Acquisition of RSUs
21-Jun-18	Vincent Gauthier	Director / Deputy CEO	Shares	- €	- €	65,872	2,437,264 €	
26-Jun-18	Christian Aubert	Chair of the Board	Shares	- €	- €	6,000	223,200 €	
27-Jun-18	Christian Aubert	Chair of the Board	Shares	- €	- €	105,067	3,933,614 €	
Jul. 04-18	Christophe Andrieux	Deputy CEO	Shares	1,446	53,054 €			
Sept. 13-18	Philippe Cornette	Deputy CEO	Shares	- €	- €	92,000	3,634,000 €	
Sept. 14-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	11,438	469,335 €	
Sept. 18-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	8,062	329,576 €	
Sept. 20-18	Philippe Cornette	Deputy CEO	Shares	- €	- €	7,600	307,800 €	
Sept. 24-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	4,720	189,928 €	
Sept. 25-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	5,780	231,626 €	
Oct. 01-18	Christophe Andrieux	Deputy CEO	Shares	- €	- €	500	20,226 €	
07-Dec-18	Philippe Rabasse	Director / CEO	Shares	- €	- €	5,933	183,033 €	

Disclosures of the crossing of ownership thresholds

The Company was not informed in 2018 of disclosures of the crossing of ownership thresholds.

Three-year summary of changes in share capital

Date	Transaction	Number of shares issued (cancelled)	Nominal value	Premium (1)	Nominal value Aggregate	Aggregate number of shares***
09/06/2016	Subscription for 5.000 shares in connection with the stock option plan	5000	2,500.00 €	23,950.00 €	6,517,648.00 €	13,035,296
21/03/2017	Subscription for 5,700 shares in connection with the stock option plan	5700	2,850.00 €	20,303.00 €	6,520,498.00 €	13,040,996
21/03/2017	Issuance of 42.000 shares in connection with the restricted stock unit plan	42000	21,000.00 €	€0.00	6,541,498.00 €	13,082,996
11/05/2017	Issuance of 6.000 shares in connection with the restricted stock unit plan	6000	3,000.00 €	€0.00	6,544,498.00 €	13,088,996
16/05/2018	Issuance of 42.000 shares in connection with the restricted stock unit plan	42000	21,000.00 €	€0.00	6,565,498.00 €	13,130,996
16/05/2018	Issuance of 6,000 shares in connection with the restricted stock unit plan	5800	2,900.00 €	27,782.00 €	6,568,398.00 €	13,136,796

(1) before charging, as applicable of issuance costs

Usage of delegations of authority granted to the Board in 2016/2017 and unissued authorised capital at 31 December 2018

Ordinary securities
The Company's Board of Directors was authorised by the Combined General Meeting of 10 May 2017, for a maximum period of 26 months from said date, to increase the capital, in one or more tranches, maintaining or cancelling shareholders' preferential subscription rights, by issuing all securities, including stand-alone warrants (*bons autonomes*), giving immediate or future access to a percentage of the share capital, with the exception of preferred shares, preferred non-voting dividend shares and investment certificates, for a maximum nominal amount of €6 million and/or by the capitalisation of reserves, earnings, additional paid in capital or any eligible amounts by a maximum nominal amount of €6 million. This delegation of authority was not used by the Board in 2018.

Securities as consideration for an in-kind contribution
The Board was authorised by the Combined General Meeting of 10 May 2017, for a period of 26 months, under the terms of its seventeenth resolution, to issue shares, equity securities or other securities or marketable securities, giving or that could give access to the capital, within the limit of 10% of the share capital on the issue date, as consideration for contributions in kind to the Company consisting of equity securities or other securities conferring access to the share capital.

This delegation of authority was not implemented by the Board in 2018.

Securities offered on a private placement basis
The Board was authorised by the Combined General Meeting of 10 May 2017, under the terms of its eighteenth resolution, for a period of 26 months, to proceed with capital increases reserved for qualified investors or a limited number of investors (*cercle restreint d'investisseurs*), in accordance with the provisions of articles L.225-129 *et seq*. and articles L.225- 135, L.225-135-1, L.225-136, L.228-91 and L.228-92 of the French commercial code (*Code de commerce*) and article L.411-2 II of the French monetary and financial code (*Code monétaire et financier*), within the limit of 20% of the Company's share capital. This delegation of authority was not used by the Board in 2018.

Debt securities giving access to the share capital
The Board furthermore was authorised by the Combined General Meeting of 10 May 2017, for a maximum period of 26 months from said date, to issue a maximum nominal amount of securities representing debt securities giving access to the share capital of €250 million.

The Board did not make use of this delegation of authority in 2018.

Securities reserved for employees
The Board was authorised by the Combined General Meeting of 10 May 2017, under the terms of its nineteenth resolution, to increase the share capital for the benefit of employees, and notably to comply with the provisions of articles L.225-129-6 of the French commercial code and article L.3332-18 et seq. of the French labour code (*Code du travail*). This delegation of authority is now given for a limit of 2% of the share capital and for a period of 26 months.

In 2018, the Board did not make use of this authorisation.

Stock options and restricted stock units
See the table on Potential Share Capital, p. 111.

Share repurchase programme

Programme in progress

The Combined General Meeting of 15 May 2018, having considered the report of the Board of Directors, authorised the latter, in accordance with provisions of article L.225-209 of the French commercial code, to purchase shares of the company. The key features of this programme are summarised below.

Objectives:

- Ensure orderly trading for and the liquidity of Aubay shares in the secondary market through an investment services provider via a liquidity contract in accordance with the code of professional conduct applying thereto recognised by the AMF (*Autorité des Marchés Financiers*);
- Cancel shares;
- Comply in accordance with conditions and the procedures provided for by law, with the obligations to deliver shares in connection with:
  - Programmes for stock purchase options of the company for employees or officers of the Group;
  - Awards of restricted stock units to employees and officers of the Group;
  - The conversion of debt securities giving access to the share capital.
- Remittance of shares for exchange or as consideration in payment for external growth operations.

Maximum share of capital authorised: the maximum share of capital that may be repurchased is limited in theory to 10% of the share capital which represented in reference to the number of shares existing at 31 December 2017 a maximum number of 1,308,899 shares.

Maximum share of capital concerned: given that the Company held at 31 December 2017, 7,281 own shares, the Company may purchase under this buyback programme not more than 1,301,618 shares.

Maximum amount payable by the Company: €78,097,080

- Maximum purchase price: €60.
- Financing procedures: financing share buybacks through its own cash resources or debt.
- Timetable of the programme : as from the Combined General Meeting of 15 May 2018 for a maximum period of 18 months or until 15 November 2019.

Shares cancelled in 2018

No shares were cancelled in 2018.

Summary of transactions involving own shares in 2018

Summary for 2018

	Number of shares repurchased	Weighted average price	Number of shares resold	Weighted average price
Liquidity contract	169,659	€36.23	169,283	36.25
	Number of shares repurchased	**Weighted average price**	**Number of shares granted/cancelled**	**Weighted average price**
Excl. the Liquidity contract				
Hedging of commitments to deliver securities	-	- €	-	- €
Cancellation	-	- €	-	- €
TOTAL	**169,659**	**€36.23**	**169,283**	**€36.25**

Own shares held at 31 December 2018

Shares allocated to the liquidity agreement	6,829
Shares to be cancelled	-
Shares set aside for remittance in connection with stock options/RSUs/external growth	828
TOTAL	**7,657**

New Share Buyback Programme, Description

A new share buyback programme will be presented to the General Meeting of 14 May 2019; This programme allows the Company to repurchase its own shares under the following conditions :

Objectives:

- Ensure orderly trading for and the liquidity of Aubay shares in the secondary market through an investment services provider via a liquidity contract;
- Cancel shares (subject to the adoption by the General Meeting of 14 May 2019 of extraordinary resolution 17 on the cancellation of shares);
- Comply in accordance with conditions and the procedures provided for by law, the obligations to deliver shares in connection with:
  - Programmes for stock purchase options of the company for employees or officers of the Group
  - Covering obligations linked to debt securities giving access to the share capital;
  - Awards of restricted stock units to employees and officers of the Group;
- Remittance of shares for exchange or as consideration in payment for external growth operations.

Maximum percentage of capital authorised: the maximum percentage of capital of the Company that may be repurchased is limited in theory to 10% of the share capital or based on the number of shares existing at 31 December 2018, a maximum number of 1,313,679 shares.

Maximum share of capital concerned: With the Company holding at 31 December 2018, 7,657 own shares, or 0.06% of its own share capital, the Company may not buy back in the future more than 9.94 % of the share capital or 1.306.022 shares.

Maximum amount payable by the Company: €78,361,320 (in light of shares already held at 31 December 2018).

- Maximum purchase price: €60
- Financing procedures: financing share buybacks through its own cash resources or debt.
- Timetable of the programme : as from the Combined General Meeting of 14 May 2019 for a maximum period of 18 months or until 14 November 2020.

Potential share capital: stock option plan and restricted stock units

Stock option plan

No stock option plan was in effect at December 31, 2018.

Restricted stock units

Making use of the delegations of authority granted to it by the general meetings of 20 May 2011, 7 May 2013 and 10 May 2016, the Board awarded restricted stock units to selected employees and executive officers of the Group.

A summary is provided below of restricted stock units awarded but not yet vested at 31 December 2018:

	Plan 11		**Plan 12**		**Plan 13**		**Plan 14**		**Plan 15**		**Plan 16**	
Awards	**2017**		**2017**		**2017**		**2018**		**2018**		**2018**	
General Meeting date	10-May-16		10-May-16		10-May-16		10-May-16		10-May-16		10-May-16	
Board of Directors' meeting date	24-Jan-17		24-Jan-17		24-Jan-17		24-Jan-18		24-Jan-18		24-Jan-18	
Total maximum number of shares granted	36,000		6,000		23,000		36,000		6,000		6,000	
Number of beneficiaries concerned **(1)**	6		1		12		6		1		3	
Aubay S.A. executive officers ***(1)***	5		0		0		5		0		0	
10 highest paid Aubay S.A. employee beneficiaries ***(1)*** ***number/volume***	1 (6000)		0		3 (6000)		1 (6000)		0		1 (6000)	
Vesting date of shares and maximum number to be granted	24-Jan-19	36,000	24-Jan-18	6,000	24-Jan-19	23,000	24-Jan-20	36,000	24-Jan-19	6,000	24-Jan-20	6,000
Date the shares become available	2 year vesting period		1 year vesting period and 1 year holding period		2 year vesting period and 1 year holding period		2 year vesting period		1 year vesting period and 1 year holding period		2 year vesting period and 1 year holding period	
Vesting terms and conditions	Yes*		No		yes		Yes*		No		yes	
Total number of shares vested at year-end	0		6,000		0		0		0		0	
Maximum number of shares remaining to be acquired at year-end (subject to fulfilment of the vesting conditions)	36,000		0		14,500		36,000		6,000		6,000	

(1) on the grant date

** Condition of presence of two years and performance of the Aubay share in relation to the StoxxEurope TMI Software & Computer Services index, measured over a two-year period. Underperformance disqualifies the beneficiary for the restricted stock unit programme*

The aggregate number of shares that may be issued by exercising in-the-money stock options or the grant of restricted stock units is in consequence 98,500 shares, or a potential dilution of 0.75 %.

No other form of a potential share capital exists.

Shareholders' agreements

The Company has no knowledge of the existence of a shareholders' agreement concerning its own shares. Similarly, the Company has no knowledge of any agreement between the shareholders relating to the disposition of the Company's assets, and notably a reduction in their use or their ability to be transferred.

To the best of the Company's knowledge, no shareholder owns any significant assets used by the Group.

III. EMPLOYEE PROFIT SHARING PLANS

Through an employee stock ownership fund (*Fonds Communs de Placement d'Entreprises* - FCPE) Aubay employees hold 91,948 Aubay shares representing 0.7 % of its share capital. At 31 December 2018, it had a total value (including cash) of €2,591,653.25 compared to €3,254,266.22 a year earlier.

Depending how this fund is structured, it may receive contributions from both companies and their employees.

In addition, a profit-sharing agreement exists for Aubay S.A. in accordance with the provisions of French law.

For 2018, profit-sharing under this agreement in the amount of €1,467,000 was registered for Aubay SA.

Dividends

Interim Dividend and final Dividend Proposal for fiscal 2018

An interim dividend of €0.27 per share for fiscal 2018 had an ex-dividend date of 10 November 2018 (after the close of trading) and a payment date of 12 November 2018.

Payment of a final dividend for fiscal 2018 of €0.60 per share will be proposed to the Annual General Meeting called to meet on 14 May 2019.

Dividends lapse after five years, in compliance with applicable statute.

IV. SECURITIES AND ASSETS SUBJECT TO PLEDGES AND GUARANTEES

No securities or assets were given by Aubay as a guarantee or a pledge on 31 December 2018.

See off-balance sheet commitments, p. 59 and 88.

CORPORATE GOVERNANCE

In accordance with article L.225-37 of the French commercial code and changes introduced notably by ministerial decree (*ordonnance*) No. 2017-1162 of July 12, 2017 art.1, the report on corporate governance is provided below.

This report was proposed by executive management for the Chair and submitted to the Board of Directors at the meeting called to adopt the annual financial statements. The At this meeting, each director contributed to finalising this report as presented to you and formally validated it, before being transmitted to the auditors.

I. CORPORATE GOVERNANCE

I.1. Composition of the Board of Directors and specific governance risks

At 31 December 2018, the membership of Aubay's Board of Directors was as follows:

First and last name or corporate name of the member & number of shares held*	Date of appointment (origin of appointment)	Office expiry date	Aubay SA offices & directorships	Other offices & directorships held in the Group in 2018	Offices held in the last five years, outside the Group
Christian Aubert 966,659	15-May-18	2020 year-end	Director & Board Chair	None	Managing Partner of Amélie Factory SARL
Philippe Rabasse 2,018,767	15-May-18	2020 year-end	Director & Chief Executive Officer	Board Member of Aubay Italia Board Member of Aubay Italia Board Member of Aubay Spain Board Member of Aubay Portugal Aubay Spain representative on the Cast Info Board Aubay representative on the Promotic Board	None
Vincent Gauthier 346,925	15-May-18	2020 year-end	Director - Deputy CEO	Board Member of Aubay Italia Aubay SA representative on the Aubay Portugal Board Managing Director of Promotic SA Board Member of Cast Info Director of Aubay UK Ltd	Chair of GAWW SAS
Sophie Lazarevitch 1	15-May-18	2020 year-end	Director	None	Member of the Executive Board of Fidor Bank AG from July 2017 to 30/11/18) Member of the Supervisory Board of Fidor Solutions AG (3/4/2017-30/11/18) Member of the Board of Directors of IXION SAS (30/3/2018-30/11/18) Natixis representative on the board of Natixis Factor (15/7/2013-16/2/ 2018) Director of Sélection 1818 (until May 2014) Chair of the Board of Director of Kompass International (until September 2015) Chair of the Board of Ellisphere (until April 2017) Chair of the Supervisory Board of MIDT Factoring (until July 2016) Member of the Supervisory Board of Graydon Hldg NV (until September 2016) CEO of HCP NA (until Marchs 2016) Chair of Natixis HCP (until June 2017) Natixis representative on the Board of Directors of Natixis Factor Director of IJCOF Corporate (until April 2017)
Hélène Van Heems	15-May-18	2020 year-end	Director	None	Managing Partner of Bureau Bleu SARL
Patrice Ferrari	22-Jun-2018	22-Jun-2021	Director (employee representatives)	None	None

** The number of shares indicated includes, as applicable, those held by the spouse and/or minor children thereof.*

At 31 December 2018, in addition to the offices mentioned above, the following persons held the office of "Deputy Chief Executive Officers" (*Directeurs Généraux Délégués*).

Last name/First name and number of shares held*	Date of appointment (origin of appointment)	Office expiry date	Aubay SA offices & directorships	Other offices & directorships held in the Group in 2018	Offices held in the last five years, outside the Group
Christophe Andrieux **1,003,542**	15-May-2018	-	Deputy CEO	Managing Director of Aubay Luxembourg Representative of the Belgian branch office of Aubay Luxembourg	None
Philippe Cornette **567,305**	15-May-2018	-	Deputy CEO	None	Manager of Cornette S.A.R.L
Paolo Riccardi **250,801**	15-May-2018	-	Deputy CEO	Chair of the Board of Directors of Aubay Italia	None
David Fuks **70,000**	15-May-2018	-	Deputy CEO	None	Chair of Townhouse SAS

** The number of shares indicated includes, as applicable, those held by the spouse or children thereof.*

To the Company's knowledge, none of the directors has exercised in the last five years an executive office of material importance with respect to Aubay, other than those occupied and referred to above.

To the Company's knowledge, none of the directors and officers of the company have been subject to convictions in relation to fraudulent offences for at least the previous five years, any official public incrimination and/or sanctions of such person by statutory or regulatory authorities and any bankruptcies, receiverships or liquidations as defined in chapter 14.1 of Annex I, of Commission Regulation (EC) No. 809/2004.

Preventing conflict of interest

In addition to strict application by the Board of the legal and regulatory provisions governing "regulated agreements", the Board has included in its rules of procedure, and in particular in the appendix of the "Director's Charter", a clear reminder of the provisions and rules designed to ensure complete transparency about possible "at risk" subjects (see the Board's Rules of Procedure available for consultation at the company' website, www.aubay. com). It is thus specifically stipulated that , "The Director must inform the Board of Directors of any situation involving a conflict of interest, even potential, and refrain from voting on the corresponding resolution. In the absence of a specific declaration by the director, it is considered that he or she is not subject to a conflict of interest. The Director must submit his or her resignation in the case of a permanent conflict of interest."

In any case, as specified in the consolidated business report, no strategic assets, property or rights that are necessary for the operations of any Group entity are owned by its executive officers. In particular, none of the Board members hold, directly or indirectly, ownership of any buildings exploited by the Group.

Accordingly, to the Company's knowledge, none of the executive officers are considered subject to risks of having a conflict of interest which would have an detrimental effect on the Company.

In addition, no conflicts of interest were reported by any of the Board members and no conflict of interests have been identified in 2018.

I.2. Legal frame of reference

To produce this report, the company referred to the general principles developed by the AMF for financial reporting and disclosures (*Position - recommandation AMF Guide d'élaboration des documents de référence adapté aux valeurs moyennes* – DOC- 2014-14).

On 26 January 2010, the Board of Directors decided to adhere to the Middlenext Corporate governance code. This code can be consulted and downloaded from Middlenext's website: www.middlenext.com.

The Board performed a review of all the points to be watched mentioned in the updated version of this code of September 2016. On that basis, it was determined that the Board's collegial organisation and the fluidity and regularity of its exchanges within the Board and all key components of the company (shareholders, line French and foreign line management, financial legal expertise, etc.) provide a reasonable assurance of limited risks, linked notably to the:

- Exemplary conduct of managers,
- Expertise of managers,

Degree of isolation of managers, Relevance of their judgment, In addition, at least once a year the Board issues a decision on:

- Potential or existing conflicts of interest within the company: based on the review by the Board meeting on 20 March 2019, no conflict of interest was brought to its attention, in compliance with the Board's internal rules of procedure and the Middlenext code in this area, or was identified by the Chair.
- The succession plan: the Board ensures on an annual basis that the executive management has defined an appropriate organisation for dealing with a situation where any executive officer of Aubay SA is prevented from fulfilling their functions.
- Self-evaluation according to a questionnaire fulfilled by each of the Board members at year-end. Areas for potential improvements are shared by the members and are destined to be reported.

Today, the company complies with all recommendations of the Middlenext code, though the following is to be noted:

- **Recommendation 3** on the definition of directors' independence:

With respect to the existence of complete independence between the functions exercised by Ms. Lazarevitch within the digital bank, Fidor, and more generally the activities of Natixis and the activities carried out by Aubay on behalf of latter, it is considered that her activity is not susceptible to infringe on her independence within the Board of Directors.

- **Recommendation 15** on combining employment contracts with the holding of corporate offices.

Only one director, Mr. Vincent Gauthier, currently combines a position with an employment contract and an office as director (excluding the director representing Aubay SA employees). This results from his appointment to the board while already holding an employment contract.

However, calling into question the status of this employment contract is not justified given the absence of additional guarantees of any nature (severance benefits, supplemental retirement benefits…) in favour of this salaried director and moreover this contract is “suspended”.

Middlenext independence criteria	Is neither an (ex)employee nor an (ex) officer	Is not a client	Is not a reference shareholder	Does not have any close family ties with a corporate officer or a reference shareholder	Is not a former auditor
Sophie Lazarevitch	X	Y	X	X	X
Hélène Van Heems	X	X	X	X	X

SUMMARY OF MIDDLENEXT CODERECOMMENDATIONS	
RECOMMENDATION	ADOPTION OF THE RECOMMENDATION
R1: Professional rules of conduct of directors Each board of directors should comply with the rules of ethical conduct described in the code:	Recommendation followed
R2: Conflicts of interest The Board of Directors ensures that all procedures are implemented to identify and manage known conflicts of interest by for example regularly requesting directors to update their declarations. The chair is the primary “guarantor” of conflicts of interest relating to him or her personally. Conflicts of interest are reviewed by the Board at least once a year.	Recommendation followed
R3: Composition of the Board - Independent directors It is recommended that the Board has at least 2 independent members. Under the Code, five criteria exist for the presumption of independence of Board members. For these reasons, it is the Board’s responsibility to examine the situation of its members on a case by case basis in light of the criteria listed.	Recommendation partially respected (see above section I.2)
R4: Board member information The company should provide the directors with all necessary information sufficiently in advance between Board meetings, when developments in the company so justify. The rules of procedure should provide the practical procedures for providing this information, while at the same time setting reasonable time limits. Directors should also determine if the information supplied to them is sufficient, and demand, when necessary, any additional information that they might consider useful.	Recommendation followed
R5: The organisation of Board and committee meetings The frequency and duration of meetings should allow in-depth examination of the subjects addressed. This frequency is at the discretion of the company, depending on its size and specific characteristics, but a minimum of four meetings a year is recommended. Minutes are drawn up of each meeting summarising the debates. The chair’s report must indicate the number of Board meetings in the year and the directors’ rate of attendance. Furthermore, the director’s role is not limited to attending board meetings alone. In addition, there must also naturally be many exchanges with the management team between each meeting. In companies, and above all controlled companies, directors and notably independent directors, must have regular opportunities for informal exchange outside the presence of the “manager”.	Recommendation followed
R6: Creation of committees: Each Board should decide based on its size, needs and current issues whether or not to adopt an organisation including specialised ad hoc committees that will be specifically created, as the case may be, to reflect their specific needs. The board remains in any event the decision-making body. Concerning the establishment of an audit committee, the Board decides, in accordance with the laws in force, whether to set up an audit committee or to exercise this function itself under the conditions laid down by laws or regulation.	Recommendation followed

SUMMARY OF MIDDLENEXT CODERECOMMENDATIONS	
RECOMMENDATION	**ADOPTION OF THE RECOMMENDATION**
R7: Introduction of Board Rules of Procedure Board rules of procedure should be adopted that cover at least the eight following points: - the role of the Board and any operations that are subject to prior authorisation by the Board, if applicable; - the composition of the Board /independence criteria applicable to directors; - definition of the role of specialised committees that may be set up; directors' duties (ethics: loyalty, non-competition, disclosure of conflicts of interest and the duty to abstain, confidentiality etc.); the working of the Board (frequency, convening, transmission of information to directors, self-assessment, use of videoconferencing and telecommunications facilities) and, when specialised committees exist, a description of their functions; - protection provided to directors and officers: directors and officers liability insurance (D&O insurance); - directors' compensation rules; - succession planning information for the manager and key persons. The rules of procedure or excerpts thereof should be made available online and, as applicable, explicitly set out in the Chair's report. It is also recommended that these rules of procedure or substantial extracts thereof be made public.	Recommendation followed
R8: The choice of directors Sufficient biographical information, including in particular the list of offices, the experience and expertise offered by each director should be made available on the company's website before the general meeting voting on the appointment or renewal of the directorship.	Recommendation followed
R9: Directors' terms of office The Board should ensure that the statutory term of office is adapted to the company's specific situation, within the limits set by the law. The renewal of their terms of office should also be staggered. The terms of offices are clearly mentioned in the chair's report.	Recommendation followed
R10: Directors' compensation A minimum amount in directors' fees (also referred to as attendance fees) should be granted to independent directors. The distribution of directors' fees should be determined by the Board on the basis of the attendance record of directors and the time they dedicate to the function, including as applicable, their participation in committees,	Recommendation followed
R11: Introducing procedures for evaluating the Board's work Once a year, the Board's Chair should ask the directors to provide input on board and committee practices, as applicable, and also on the preparation of their work. This discussion is recorded in the meeting's minutes. The Chair's report should indicate if this procedure was followed.	Recommendation followed
R12: Relations with shareholders Opportunities should be provided outside general meetings for exchanges between significant shareholders in order to create the conditions for meaningful dialogue. Before the General Meeting is held, the manager undertakes to meet with significant shareholders who so wish.	Recommendation followed
R13: Definition and transparency of the compensation of corporate officers The Board of Directors of each company should determine the compensation levels and arrangements for its managers and the disclosures thereof, in accordance with the law and regulations. Performance is assessed in relation to quantitative criteria – financial and non-financial – and qualitative criteria: exhaustiveness, balance between the different components of compensation, benchmark, consistency, the understandability of the rules, proportionality and transparency.	Recommendation followed
R14: Succession planning for managers Succession planning should be a regular item on agendas for meetings by the board or a specialised committee in order to ensure that this issue is addressed and monitored on an annual basis.	Recommendation followed
R15: Corporate officers and employment contracts Subject to compliance with the regulations, the Board of Directors should assess whether or not to authorise managers to have employment contracts when they are corporate officers serving as chair, chief executive officer or deputy chief executive officer (public limited companies with a Board of Directors), chair of the management board (public limited companies with a management board and a supervisory board), or managing partner (partnerships limited by shares). The report to the general meeting explains the grounds for this decision.	Recommendation respected Comment on 1.2 above
R16: Severance benefits If a provision has been made for a golden handshake in conditions that comply with the law, its maximum amount, after including any severance payments under the terms of any employment contract, should not exceed two years of (fixed and performance-related) compensation, except in cases where the compensation of the manager is clearly below the median for the market (as is the case in start-ups, for example). Payment of a golden handshake should be excluded for a manager and corporate officer leaving the company at their own initiative to take up new functions, or changing functions within a group.	Recommendation followed

SUMMARY OF MIDDLENEXT CODERECOMMENDATIONS	
RECOMMENDATION	ADOPTION OF THE RECOMMENDATION
R17: Supplementary pension schemes In addition to applying the authorisation procedures provided by law, the company should indicate in its report to the shareholders, any defined-benefit supplementary retirement schemes it has set up for its managers and should provide justification for them, in the interests of transparency.	Recommendation followed
R18: Stock option and restricted stock awards Grant conditions: Stock option and/or bonus share awards should not be excessively concentrated among managers. In addition, stock options and/or bonus shares should not be awarded to managers and corporate officers on the occasion of their departure. Exercise and vesting conditions: The exercise of all or part of the stock options or the vesting of all or part of the bonus shares having been awarded to managers should be subject to relevant performance conditions reflecting the company's medium and long-term interests assessed over a period of significant length.	Recommendation followed
R19: Reviewing points to be watched By adopting the Middlenext Code, the Board undertakes to consider the points to be watched and review them on a regular basis.	Recommendation followed

I.3. Preparation and organisation of the Board's work

Composition of the Board, Separation of the Management/Control Functions

The Board of Directors had six members at 31 December 2018.

Christian Aubert, in compliance with the Board's decision of 23 April 2010, serves as the Chair, without exercising any operational functions.

Philippe Rabasse, director of the company and Chief Executive Officer, was accordingly entrusted with responsibility for the company's operational management.

The other Board members at 31 December 2018 were Sophie Lazarevitch, Hélène Van Heems, Vincent Gauthier and Patrice Ferrari (see above). With the exception of Sophie Lazarevitch and Hélène Van Heems, as well as Patrice Ferrari, employee representative, the three other Board members hold significant shareholdings in the company.

Non-voting observers
The general meeting of 7 May 2014 introduced into the company's articles of association the possibility for the board of directors to appoint non-voting observers (*censeurs*). The number of these observers shall not be more than eight members and their mission defined by the company's articles of association is to ensure strict compliance with said articles. The Board of Directors' rule of procedure (accessible at the company' website, www.aubay.com) was updated the day following this modification.

At 31 December 2018, no non-voting observers had been appointed to the Board of Directors;

I.3.1. Member selection criteria, membership diversity and operating procedures

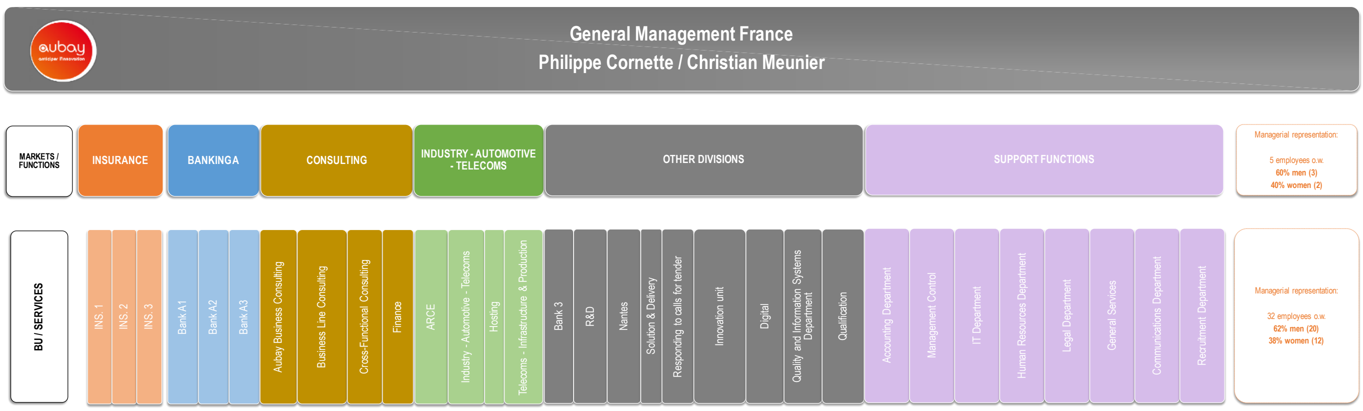
Board appointments are proposed by the General Meeting of the shareholders based on several criteria:

- Capital holdings (Percentage of capital and voting rights held),
- General expertise acquired in company management,
- Specific expertise and knowledge of the company's businesses,
- Financial expertise and a critical independent perspective.

The composition of the Board also reflects henceforth the application of the legal and regulatory applications applicable to the Company, notably in terms of gender balance and employee representation. (see below).

In this regard, the Board is studying the type of measures to be adopted to ensure the best possible balance in its composition while seeking complementary profiles in terms of human diversity adapted to Aubay's size and structure.
By joining the Board, Sophie Lazarevitch then Hélène Van Heems increased the ratio of women members to 2/5 (the employee director appointed in June 2018 is not taken into account for this calculation – see below). Aubay is accordingly in compliance with its obligations in this area, based on a rate **percentage of women on its Board of Directors** of 40%.

In addition, reflecting their diverse professional backgrounds (the digital services industry for Messrs. Aubert, Rabasse, Gauthier and Ferrari, the banking sector for Ms. Lazarevitch, communications for Ms. Van Heems…) and the field of academic studies for Mr. Aubert and Mr. Rabasse, the humanities for Miss Van Heems, a postgraduate degree (DEA) in artificial intelligence for Mr. Ferrari, a degree from the leading French business school, HEC for Ms. Lazarevitch, an advanced law degree (DESS) for Mr. Gauthier), they bring together **a broad range of business skills and experiences** which is a valuable asset for the management of a digital services company like Aubay.
The **seniority** of Board members is also significant including 20 years in the Aubay's business sector (for Mr. Vincent Gauthier) and more than 45 years of experience in this sector for the Chairman, Mr. Christian Aubert.
With respect to the diversity of Board membership in terms of the status its members and, in particular, with respect to the requirement of the presence of a **director appointed by employees** (art. L 225-27-1, I-al. 1 of the French commercial code), according to resolution 24 of the annual general meeting of 20 May 2018 the Board decided that the Central Works Council or any subsequent body replacing the latter shall be tasked with appointing the director representing employees in compliance with the obligations applicable to Aubay. The articles of association were amended in consequence and Mr. Patrice Ferrari was appointed accordingly by the Central Works Council on 22 June 2018 as the director representing employees. He was appointed, in accordance with the provisions of the articles of association, for a term of three years from this date;
The Board is committed to ensuring an optimal degree of diversity at the level of executive management and, more generally, for 10% of company positions exercising high-level responsibilities.
From this point of view, the company closely monitors the above organisation chart in terms of gender balance for the operational departments in France but also, more generally, for all "senior management level" positions, in order to ensure that balance is maintained through the recruitment process. It should be noted however that the definition of the "10%" category of high-level management positions as an indicator is not adapted to the very "horizontal" organisational model of an entity like Aubay. For that reason, even though the positions identified below do not cover 10% of Aubay SA's total workforce, they nevertheless represent positions of important responsibilities within this organisation. Women occupy a higher percentage of "management" positions broadly defined of between 39% and 40% of these positions, compared to the percentage of women in the total workforce of approximately 32%.



Preparation of the Board's work

Decisions to call Board meetings are generally made by the Chair, though under current practice within the company, any member is free to call such meetings.

The preparation work is spread among the company's different functional departments, based on the agenda items to be addressed.

Philippe Rabasse generally assures, sometimes in conjunction with Vincent Gauthier in charge of legal affairs, the preparation for points dealing with either the company's general strategy or exceptional operations such as external growth, the management of equity interests and financial transactions.

Matters purely legal in nature are prepared by the Legal Department.

Matters relating to finance are the responsibility of the Chief Financial Officer, who is also Deputy CEO of Aubay SA.

The meeting agenda is generally set by the Chair, pursuant to the proposal of executive management.

For each item on the agenda, directors are provided with explanatory documents (draft accounts, presentation of the target in the case of external growth, budget accounts, etc.)

I.3.2. Rules of procedure of the Board and the Audit Committee

On 26 March 2010, the Board of Directors adopted rules of procedure setting out its operating procedures. These were amended on 7 May 2014 and 24 January 2017. The full text of these rules of procedure may be consulted on the company' website.

These rules of procedure notably recall the main restrictions which apply to directors and non-voting observers with regard to dealings in the company's securities.

The agenda is presented in the meeting by the Chair. Agenda items are then addressed in succession. Each member is free to express their opinion in board meetings as provided for by law. As a general rule, decisions are not made in Board meetings that do not obtain unanimity of the votes cast.

The different subjects are presented in general terms by the Chair or the Chief Executive Officer before, as applicable, being presented in further detail by the relevant representative of the functional department.

Audit committee

Missions:

Ordinance 2008-1278 of 8 December 2008 imposed an obligation on companies whose shares are admitted for trading on a regulated market to establish an audit committee. The missions of the Audit Committee (art. L 823- 19 of the French commercial code, subsections 3-7) are as follows:

- Firstly, monitoring matters relating to the preparation and control of accounting and financial information. In this role, it supervises procedures related to the preparation of financial information and, if need be, formulates recommendations in order to ensure its integrity; It reviews the draft versions of the interim and annual consolidated financial statements of the group, the annual financial statements of Aubay and the presentation of management describing the exposure to risks and significant off-balance sheet commitments of the Group as well as the accounting options adopted.
- Secondly, it ensures the effectiveness of internal control and audit systems as well as the management of significant risks to which the Group may be exposed in the course of its activities. After strengthening its missions for monitoring risks, it conducts a review once a year of all the main risks to which the group may be exposed.
- Thirdly, the committee monitors the statutory auditing of the annual and interim consolidated financial statements of the Group and the separate annual financial statements of the parent company, monitors the independence of the statutory auditors and, more generally, monitors the performance of the auditors' engagement.

The Committee must furthermore issue a recommendation for the appointment of statutory auditors submitted to the general meeting. It must also regularly report to the Board of Directors on its tasks and informs it immediately of any difficulty encountered. (art. L 823-19, subsection 8).

No auditors were appointed or reappointed by Aubay SA in the period ended.

Composition of the audit committee

Article L.823-20 of the French Commercial Code resulting from the aforementioned ordinance however provides for an exemption from this obligation for companies with a corporate body that fulfil the functions of this committee "*that may be the Board of Directors, on condition that use of this option is made public along with the composition of its membership*".

On 15 September 2010, the Aubay's Board of Directors accordingly decided to opt for application of this exemption permitted by the new Article L.823-20 and to assume the tasks normally assured by the Audit Committee themselves.

The Board, meeting in the capacity of audit committee, defined in its decision of 8 November 2010, its procedural rules and adopted rules of procedure last updated on 24 January 2017 and available for consultation in full at the company's website (www. aubay.com).

Activity in 2018

The audit committee met three times in 2018, the first time on 25 January 2018, then on 14 March 2018 prior to the closing of the annual financial statements for the period ended 31 December 2017, and finally on 12 September 2018 before the closing of the interim financial statements.

At these meetings, many exchanges occurred with the auditors and the committee was able to develop and expand its understanding of the different issues involved in the voting process. In 2018, the attendance rate of audit committee members was high at 88%, a significant increase in relation to the prior period (67%).

Services other than those relating to the statutory certification of accounts

In addition, to comply with French legal provisions introduced by the "Sapin II" law of December 2016, the audit committee is now convened at least once a year for the purpose of reviewing the category of "services other than those relating to account certification". It validates on this occasion, when possible, the category of services that may be provided by the college of auditors, by ensuring that such services never infringe upon the statutory auditors' independence. When this validation by category is not possible, it convenes a special meeting to study the service in question to be assigned to the auditors.

On that basis, on 25 January 2018, the Audit Committee authorised the statutory auditors to perform the following customary services:

- Issuance, when required by contractual conditions obtained with banks, of certificates of compliance with financial ratios;
- Certification as an Independent Third-Party Assurance Service Provider of the CSR Information contained in the management report;
- When necessary in connection with their statutory accounts certification, audits (notably computer audits) that may be required;
- In principle, though subject to prior express validation, when they take place, audit work in advance of potential acquisitions that may be made by the Group;

Invoices issued by BCRH and Constantin Associés, for certifying financial ratios in 2018 amounted to €3,000.
The invoice issued by Deloitte & Associés in 2018 for producing the limited assurance report for CSR information amounted to €10,000.
The audit committee ensured that the total amount of fees for other services did not exceed 70% of the fees for statutory auditing services.
The audit committee received the official letter of the auditor confirming that the auditor signing the accounts, the audit firm, its partners and senior manager and managers were independent from the Group.
The audit committee confirmed that it met with the legal signatory of the accounts regarding the possible threats with respect to the independence of the latter as well as the measures implemented to limit these threats.
The audit committee has ensured with the legal department that the latter had effectively submitted all requests for services other than those relating to the statutory certification of accounts.

In light of the size of the company and its Board of Directors, the creation of other special committees has not been deemed useful (e.g. a compensation committee, appointment committee, etc.). Instead, all directors are solicited to consider on a collegial basis all matters of interest to the company's management.

I.3.3. Areas subject to the Board's purview

In addition to and in accordance with its legal duties, the Board is systematically convened for the following subjects:

- Management of equity interests,
- External growth,
- Financial transactions,
- Guarantees, security, endorsements when they involve amounts exceeding the maximum limit authorised for Executive Management,
- Financial or accounting methods,

For the closing of published accounts, the main accounting options as well as the choices made have been explained and justified by Executive Management to the Board, and reviewed by the statutory auditors.

No change in accounting principles having a significant impact on the accounts can be made without obtaining the Board's opinion.

For Board meetings for account closings to which the auditors are systematically convened, they are given the possibility to express their views about the accounts being closed and, prior to that, on the exhaustive nature of the information to which they had access.

The Executive Management, in its day-to-day management, ensures that the Board is able to issue its decision before any decision is made about set subjects.

I.3.4. Frequency of meetings

Board meetings are called to address requirements for reviewing accounting publications and financial disclosures (the closing of annual and interim accounts, etc.) and to address items falling under its purview as defined above.

The Board met five times in 2018.

The average rate of attendance of directors was 85 %.

Board attendance remains considerably facilitated by the adoption of a videoconferencing system which allows directors outside of France to attend the meetings with greater ease.

Board attendance in 2018					
	24-Jan-18 Board of Directors & Audit Committee	Mar. 14-18 Board of Directors & Audit Committee	15-May-18	12-Sep-18 Board of Directors & Audit Committee	17-Oct-18
Christian Aubert	1	1	1	1	1
Philippe Rabasse	1	1	1	1	1
Vincent Gauthier	1	1	1	1	1
Sophie Lazarevitch	0	0	0	1	0
Hélène Van Heems	1	1	1	1	1
Patrice Ferrari	-	-	-	1	1

I.3.5. Compensation policy for directors and officers

Directors

When the Board so decides, directors may receive compensation referred to as “attendance fees” for their participation in Board meetings.

For the record, the general meeting of 7 May 2013 set the maximum amount of attendance fees which may be distributed to directors per year at €105,000.

Directors may also be reimbursed all costs or expenses incurred for the performance of their office.

In contrast, the director representing employees does not received specific compensation in connection with his or her office.

Chair of the Board

The Chair of the Board receives fixed compensation for this office.

He in addition receives attendance fees when decided by the Board.

He is reimbursed for various expenses incurred in connection with the functions he exercises;

He may benefit from the use of a company car.

Executive Officers: Chief Executive Officers and Deputy Chief Executive Officers

Compensation of executive officers of Aubay is defined according to the following principles:

- **Fixed compensation**

Executive officers are entitled to either a duty allowance for those without an employment contract, or salaries and wages where an employment contract exists with the company when the conditions required by law have been met. To date, all executive officers of Aubay receive compensation for exercising their offices, rather than on the basis of employment contracts, when they exist, which would in any case, be suspended.

- **Multi-year (variable, i.e. performance-based) compensation**

Executive officers benefit from awards of restricted stock units which are fully vested subject to compliance, on the one hand, with a condition of presence in the Group for a period of two years from the grant date and, on the other hand, fulfilment of conditions of performance. These performance conditions may be either external and/or internal, and the Board decides at the time of the award and according to the context the appropriateness of selecting one or more of these criteria. Until 2019, only the following external criteria was used.

In the future it is proposed to allow the Board to determine, at the time of future grants, which of the criteria mentioned below are the most relevant as conditions enabling the shares awarded to be fully vested.

External Criteria: the vesting of restricted stock units may be subject to achieving an external performance condition linked to growth in the Aubay's stock price. Specifically, the share must outperform the STOXX TMI Software & Computer Services© benchmark as measured over a period of two consecutive years. If these two conditions are not met, the beneficiaries are deprived of the full amount of their multi-year variable compensation.

Internal Criteria: the vesting of restricted stock units may be subject to meeting an operating performance target of the company which may be based on:

- either consolidated EBIT measured as an absolute or relative value in relation or not to the budget published annually by the company;
- or basic earnings per share measured as an absolute or relative value in relation or not to the budget published annually by the company;
- or cash flows generated at the Group level, here as well as an absolute or relative value in relation or not to the budget published annually by the company;

The Chief Executive Officer, when not legally eligible to receive restricted stock unit awards, benefits from multi-year variable cash bonuses subject to the same conditions of performance as those governing restricted stock units (see above) and for comparable amounts (calculated as a "target" total equivalent to the value of the restricted stock units awarded to officers, though adding however the social charges applied to this type of compensation, in contrast to restrictive stock units). If these conditions are not met, the beneficiary is then deprived of the full amount of its multi-year variable compensation.

Minimum percentage of restricted stock units to be retained up until the expiration of the term of office (art. L 225-197-1, II-subsection of the French commercial code 4)

Executive officers who receive restricted stock units are required to retain in registered form at least 10% of the total volume of shares which have been fully vested as of 6 August 2015 until such time as their activities within Aubay have been ended.

- Variable annual bonuses

Executive officers do not receive variable annual bonuses.

- Exceptional bonuses

As applicable, exceptional bonuses, which either with respect to the principle and the amount, as required by law, comply with a compensation policy previously approved by the general meeting, validated by the Board before they assume their office and for which the final payment can be made only after being validated by the General Meeting consulted on this matter.

For the Deputy CEOs, a total annual amount of €60,000 may be distributed by the Board of Directors, with a maximum amount of €15,000 for each of Deputy CEO. For the record, this total allocation was set at €40,000 in the previous description of the compensation policy in the 2017 Registration Document.

As applicable, executive officers may benefit from the use of a company car.

I.3.6. Compensation paid to officers and directors of Aubay SA in 2018

The following tables, based on the model recommended by Middlenext, provide a comprehensive view of all compensation of Aubay's directors and officers.

This includes compensation of every nature paid to the corporate officers of Aubay SA and all companies falling within the scope of its control.

No executives receive compensation paid indirectly through, for example, in the form of management fees invoiced to any Group entity whatsoever.

Identical amounts of €195,000 per year in compensation have been granted to the different executive officers (Philippe Rabasse, David Fuks, Philippe Cornette, David Fuks, Christophe Andrieux and Paolo Riccardi). This amount has remained unchanged since 2 February 2016, the date on which the previous compensation set in October 2011 was modified.
The multi-year variable compensation granted to David Fuks, Philippe Cornette, Vincent Gauthier, Christophe Andrieux and Paolo Riccardi, Deputy Executive Officers (*Directeurs Généraux Délégués*), since 2014 have remained unchanged at **6,000 shares** per

beneficiary. The changes in valuations results only from changes in the accounting valuations for these instruments in relation to changes in Aubay share price.

With respect to the Chief Executive Officer, Mr. Philippe Rabasse, in the same manner, his multi-year compensation since 2014 has been based on a target compensation corresponding to the value of 6,000 Aubay shares on the grant date, to which is added the social security charges imposed upon this type of compensation. The changes in this multi-year bonus is directly linked to changes in the Aubay share price.

		2018		2017		2016	
		Amounts du (contingent compensation)	Amounts paid	Amounts du (contingent compensation)	Amounts paid	Amounts du (contingent compensation)	Amounts paid
Mr Christian Aubert, Chair of the Board	Notes	2		2		2	
Fixed compensation			110,500 €		110,500 €		143,650 €
Multi-year variable compensation							
Attendance fees			10,000 €		10,000 €		10,000 €
Benefits in-kind							
Carrying value of performance shares granted in the period							
TOTAL			**120,500 €**		**120,500 €**		**153,650 €**
Mr. Philippe Rabasse, Director, CEO							
Fixed compensation			195,000 €		195,000 €		192,833 €
Multi-year variable compensation	*1*	€190758	288,167 €	151,372 €	198,450 €	124,159 €	169,221 €
Attendance fees			10,000 €		10,000 €		10,000 €
Benefits in-kind							
Carrying value of performance shares granted in the period	*1*						
TOTAL			**493,167 €**		**403,450 €**		**372,054 €**
Ms. Sophie Lazarevitch, Director							
Fixed compensation							
Annual performance-based compensation							
Attendance fees			10,000 €		10,000 €		10,000 €
Benefits in-kind							
Carrying value of performance shares granted in the period							
TOTAL			**10,000 €**		**10,000 €**		**10,000 €**
Mr. Patrice Ferrari, director representing the employees (as of **22/06/18**)							
*Fixed compensation**	3						
Annual performance-based compensation							
Attendance fees							
Benefits in-kind							
Carrying value of performance shares granted in the period							
TOTAL							
Ms. Hélène Van Heems, Director (since 10/05/2017)							
Fixed compensation							
Annual performance-based compensation							
Attendance fees			10,000 €				
Benefits in-kind							
Carrying value of performance shares granted in the period							
TOTAL			**10,000 €**				
Mr. Vincent Gauthier, Director, Deputy CEO							
Fixed compensation			195,000 €		195,000 €		192,833 €
Multi-year variable compensation							
Attendance fees			10,000 €		10,000 €		10,000 €
Benefits in-kind							
Carrying value of 6,000 performance shares granted in the period	*1*	134,648 €		98,228 €		66,280 €	
TOTAL			**205,000 €**		**205,000 €**		**202,833 €**
Mr. Christophe Andrieux, Deputy CEO							
Fixed compensation			195,000 €		195,000 €		192,833 €
Multi-year variable compensation							
2018 exceptional bonus/Attendance fees 2017/2016			10,000 €		10,000 €		10,000 €
Benefits in-kind							
Carrying value of performance shares granted in the period	*1*	134,648 €		98,228 €		66,280 €	
TOTAL			**205,000 €**		**205,000 €**		**202,833 €**
Mr. David Fuks Deputy CEO							
Fixed compensation			195,000 €		195,000 €		192,833 €
Multi-year variable compensation							
2018 exceptional bonus/Attendance fees 2017/2016			10,000 €		10,000 €		10,000 €
Benefits in-kind							
Carrying value of performance shares granted in the period	*1*	134,648 €		98,228 €		66,280 €	
TOTAL			**205,000 €**		**205,000 €**		**202,833 €**
Mr. Philippe Cornette Deputy CEO							
Fixed compensation			195,000 €		195,000 €		192,833 €
Multi-year variable compensation							
2018 exceptional bonus/Attendance fees 2017/2016			10,000 €		10,000 €		10,000 €
Benefits in-kind			9,261 €		7,995 €		8,575 €
Carrying value of performance shares granted in the period	*1*	134,648 €		98,228 €		66,280 €	
TOTAL			**214,261 €**		**212,995 €**		**211,408 €**
Mr. Paolo Riccardi Deputy CEO							
Fixed compensation			195,000 €		195,000 €		188,300 €
Multi-year variable compensation							
2018 exceptional bonus/Attendance fees 2017/2016			10,000 €		10,000 €		10,000 €
Benefits in-kind							
Carrying value of performance shares granted in the period	*1*	134,648 €		98,228 €		66,280 €	
TOTAL			**205,000 €**		**205,000 €**		**198,300 €**

1	**"Amounts due"** total budgeted carrying value
2	**"Contingent compensation":** compensation vested or paid in cash or securities (restricted stock units or RSUs) contingent on (see section I-3-5) : * meeting specified internal and/or external criteria * the condition of presence of the beneficiary of two years as from the grant date
3	Undisclosed salary

Executive officers	Employment contract		Supplementary pension plan		Compensation or benefits due or likely to be due upon termination or change of duties	
	YES	NO	YES	NO	YES	NO
Christian Aubert Chair of the Board of Directors Date of last reappointment: 15 May 2018 Office expiry date: End of 2020		X		X		X
Philippe Rabasse CEO and Director Date of last reappointment: 15 May 2018 Office expiry date: End of 2020		X		X		X

All amounts received from the company by directors, with the exception of expenses reimbursed subject to vouchers, are validated by the Board before being incurred.

All variable compensation, subject to restricted stock unit awards or a "cash" plan such as those annually granted since 2014 for the Chief Executive Officer, before payment are first validated by the Board in order to verify compliance with the grant conditions.

In this case, the RSU plans fully vested in 2018 and the cash bonus plan for benefit of the Deputy Chief Executive Officers paid in 2018 were validated based on performances measured below for the benchmark, the Stoxx TMI Software & Computer Services©.

Information on the RSU and CEO cash bonus external performance measure

	2016	2017	2016 & 2017
Performance of the Aubay share vs. Stoxx TMI Software & Computer Services©	54.80%	12.50%	87.50%
Vesting rate	37.50%	37.50%	75%
Total vesting rate at 2 years (capped at 100%)	100%		

Vesting of restricted stock units in 2018 by Executive Officers

	2018		
Date	**Beneficiary**	**Plan No.**	**Number of fully vested in the period**
10 May 2018	Vincent Gauthier	Plan No. 9 of 10 May 2016	6,000
10 May 2018	David Fuks	Plan No. 9 of 10 May 2016	6,000
10 May 2018	Philippe Cornette	Plan No. 9 of 10 May 2016	6,000
10 May 2018	Paolo Riccardi	Plan No. 9 of 10 May 2016	6,000
10 May 2018	Christophe Andrieux	Plan No. 9 of 10 May 2016	6,000

For the record, no particular undertakings exist between the Board with any of its members.

I.4. Financial authorisations given to the Board of Directors at 31 December 2018, Summary Table

Financial authorisations of progress	By nature of security/type of corporate action	Maximum amount	Authorisation date	Expiration date	Date of use	Purpose	Amount used
Ordinary shares and/ securities giving access to share capital or the grant of debt securities with preferential subscription rights	Ordinary securities	€6 million (nominal amount)	10 May 2017	10 July 2019	-	-	-
	Debt securities	€150,000,000 (nominal amount)					
Ordinary shares and/securities giving access to share capital or the grant of debt securities without preferential subscription rights	Ordinary securities	€6 million (nominal amount)	10 May 2017	10 July 2019			
	Debt securities	€250,000,000 (nominal amount)	10 May 2017	10 July 2019			
	Payment of in-kind contributions	10% of the share capital					
	Private placement	20 % of the share capital	10 May 2017	19 July 2019			
	Restricted stock units (potential shares)	3% of the share capital	10 May 2016	10 July 2019	10 May 2016	RSU awards	0.32% (42,000 shares)
					24 January 2017	RSU awards	0.49% (65,000 shares)
					25 January 2018	RSU awards	0.36% (48 000 shares)
Ordinary shares without preferential subscription rights (French law on employee savings plans)	Capital increases reserved for employees	2 % of the share capital	10 May 2017	10 July 2019	-	-	-

In the case of the issuance of securities where the preferential subscription right is cancelled, the Board of Directors has the power to establish a non-negotiable priority subscription right for shareholders.

Order 2014-863 of 31 July 2014 specifies the authorities of the Board, except if the articles of association reserve this power to the (ordinary) general meeting or if the latter decides to exercise this power, include issues of bonds and participating interests conferring eligibility to other bonds and participating interests or existing equity securities.

I.5. Specific conditions governing shareholders' attendance at general meetings

None

I.6. Items with potential impacts in connection with public offerings

Aubay's capital structure and the Company's known direct and indirect equity interests and all other information on this matter are described above (§ 6. II. "General information about the company and its capital", p. 90 of the original French document).

There are no restrictions under the articles of association on exercising voting rights, except for the loss of voting rights resulting from a failure to report crossing of ownership thresholds defined by the company's articles.

Insofar as the Company is aware, there are no agreements or other arrangements between shareholders.

No securities exist which confer special rights of control.

Voting rights attached to shares held by employees through a company mutual fund (*Fonds Communs de Placement d'Entreprises* - FCPE) are exercised by a representative appointed by the supervisory board of said fund for the purpose of representing the general meeting.

The rules for appointing and dismissing members of the Board of Directors are those provided for by statute.

The delegations of authority to increase the capital in progress are described above (§ I-4).

The credit lines described in this document (chapter 2. VIII. "Liquidity risk, p 28) may be terminated in the case of a change in control. No particular agreements exist providing for payment of compensation in the event the office of an executive officer is terminated.

In application of article 8 of the articles of association, every registered share, fully paid up and registered for at least two years in the name of the same shareholder, as of that date, carries a **double voting right**.

Finally, a proposal will be submitted at the next general meeting to renew the delegations of authority to the Board of Directors to increase the share capital, with and without preferential subscription rights, i.e. on 14 May 2019, and specifying that the board will respect the **principle of neutrality** during a public offering period.

II. MANAGERS' HOLDINGS IN SUBSIDIARIES OF AUBAY, A SIGNIFICANT CUSTOMER OR SUPPLIER

None.

III. QUALITY AND CORPORATE SOCIAL RESPONSIBILITY

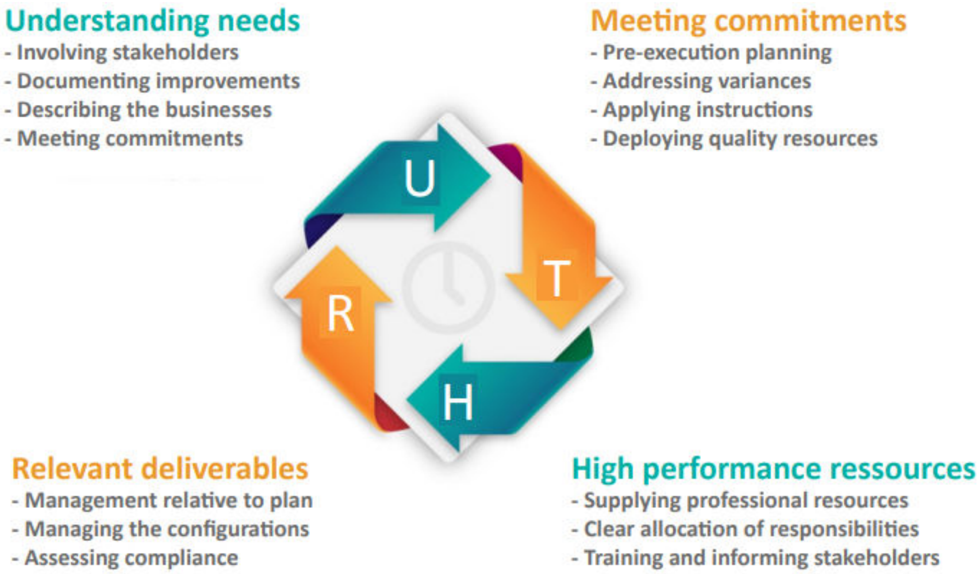
III.1. The Quality Policy

Aubay teams are focused every day on delivering customers quality service. Philippe Cornette, CEO for France, described in this way the quality policy :

“Aubay has always placed a high premium on the quality of its services, the satisfaction of its customers and the skills of its employees. Our staff are on the front line in our efforts to achieve ambitious goals. We pay particular attention to their motivation and training in order to give them opportunities for expanding and expressing their talent.
To ensure the success of this strategy, we have tasked the human resources and quality departments with implementing an action plan.”

III.1.1. *The Quality Control policy*

Aubay’s historical values are exemplified on a day-to-day basis by the business reflexes developed through its quality control policy.



Aubay’s quality management has been ISO9001 certified for the last 12 years. In 2018, AFNOR, the French national certification agency, renewed its certification and confirmed the compliance of Aubay Quality Management System with ISO 9001-2015:

Digital Services Company,

Fixed-Price service and Technical Assistance

III.1.2. *The AUB’ENERGY Programme*

“Excellence and continuing improvements in its services” Aubay launched the AUB’ENERGY programme in 2011 to provide improved support for both client and internal project management based on responsive and professional solutions best tailored for each case.

The AUB’ENERGY method provides guidelines for a range of diverse but essential practices: Planning, monitoring, measurement, configuration management, quality assurance, specifications, etc. The aim of the improvement programme associated with this method is to promote and harmonise product management practices within Aubay.

This programme provides for the use of tools in conjunction with the gradual deployment of the Aubay TeamTools platform: managing continuous improvement, requirements, project files, questionnaires, surveys and indicators.

All components of the Aubay TeamTools were developed from the open source universe: Mantis, Nuxeo, Redmine, Squash TM, MediaWiki, USVN…

And because this platform is scalable, it is able, for example, to receive extensions for surveys addressing customer satisfaction, Aubay project teams

In July 2014, Aubay was evaluated and obtained CMMI® (Capability Maturity Model Integration) maturity level rating of 3 covering the company's software development operations and organisation. This maturity level rating was renewed for three years in June 2017.

Aubay is continuing its programme to improve its services, with a focus on:

- The deployment of general CMMi® practices in its service centres and its Technical Assistance staff,
- General compliance with security management requirements.

III.2. Corporate social and environmental responsibility:

III.2.1. Business models and main risks

In accordance with the principles of articles L. 225-102-1 and R. 225-104 of the French commercial code, the company reviewed the non-financial risks and analysed their materiality, relevance and the seriousness of the issues linked to the analysis of financial risk.

Business model.

The business model adopted by Aubay is presented as follows:

- Environment:
  - Sales: § 2. I.1– Sustained growth in 2018 driven by the digital transformation projects
  - Competition: § 2. I.2 – In 2019, the market is expected to grow 3.9%
  - Regulations: Following the French anti-corruption law (Sapin II) of 2017, the EU General Data Protection Regulation (GDPR) represented a milestone in the area non-financial reporting.
  - Internal stakeholders: § 1. IV: A population of engineers
  - Outside stakeholders: § 1. V: Top tier customers
- Value creation targets and strategies:
  - § 1. III – A culture of growth
  - § 1. VI – A European strategy: ensuring we are present where our customers go
  - § 1. VII – Strong differentiation: Quality and Proximity
  - § 1. VIII – A virtuous circle of growth
- Organisation and structure:
  - § 1. II – Management team
  - § 2. III – External growth strategy
  - § 2. IV – An integration policy for acquirees
- Markets, resources and products:
  - § 1. IX – A global and innovative offering
- Trends and outlook
  - § 2. XI – Future operating trends

Comments on the business model:

- The environment, as described, proposes job offerings with numerous opportunities, based on Aubay's:
  - solid network of offices in evolving markets underpinned by innovative differentiation:
  - missions involving a high levels of qualification*, interesting talented candidates.
- The strategy takes advantage of this environment which is beneficial in terms of virtuous growth and a human dimension:
  - Mainly internal, based on the number of recruitments nevertheless targeting highly sought after candidates,
  - Including carefully chosen external acquisition targets for improved coverage of the areas where our customers are located,
  - Expanding the Group's customer references in each of the subsidiaries, and job offers,
  - Subsidiaries with experienced local managers conducting operations in each of their countries,
  - Offering Aubay employees attractive career prospects and enhanced employee retention measures.
- The organisation is driven by an executive team contributing a broad range of managerial talents.
  - An entrepreneurial culture developing services based on rapidly developing competencies,
  - Effectively managing necessary human change based on an understanding of the information systems of key accounts,

- Expanded responsibilities throughout the Group to all managers of acquired companies,
- Specific efforts in France to promote the development of gender equality at the middle management level,
- Monitoring employees in a manner that is consistent with the Group's long-term objectives, excluding purely financial considerations.

- These services and products proposed present all characteristics designed to respond to market trends:
  - in line with ongoing research carried out by AUBAY in promoting innovation,
  - digital, including some addressing environmental priorities,
  - in line with the social environment and corporate citizenship goals: anti-corruption, personal data protection and opportunities for disabled persons.

Comments on the impact of the business model on selected schematics:

- Both in terms of its strategy and organisation, Aubay is committed to fostering employee retention by developing and concluding a number of company-level agreements, contributing to positive social developments for its employees, and described in § 7. III.3.6,
- In its organisation, Aubay is committed to combating discrimination and particular promoting gender equality, as indicated in § 7. III.3.5,
- Aubay delivers services in France specifically adapted to employees concerned by its Disability Project: a number of activities in this area are described in § 7. III.3.1.
- More generally, the impact of Aubay's activity on climate change, notably the sale and production services is described in § 4 I.3, also in §7. III.4.
- With respect to its patronage and sponsoring activities in the service of certain societal aspirations, Aubay is a contributor to the circular economy through the "*Cravate Solidaire*" initiative described in § 7. III.6.4,
- Reflecting the nature of its business, Aubay however is not engaged in specific matters to combat food wastage and food insecurity, respecting animal well-being, sustainable and fair food practices.

Detecting risks.

In general, non-financial risks are detected by the company's main business lines through different corporate bodies and associated with subjects dealt with in the business model at different levels, and namely:

- Strategic,
- Operational,
- Legal;
- Financial.

The main non-financial risks associated with the Company's operations are as follows:

- <u>Employment</u>: Risks related to non-diversity, stress
- <u>Social</u>: Risks relating to information system security, corruption risks, tax evasion risks,
- <u>Environmental</u> : Risks relating to in particular climate change
- <u>Respecting human rights</u>: combating forced labour,…

Meetings of a non-specialised nature provide an opportunity to detect general CSR risks:

- <u>CSR Committee</u>:
  - a committee bringing together all CSR correspondents of the subsidiaries,
  - refer to § 7. III.6.5 for a description.
- <u>Global Compact Advanced Club</u>:
  - GC Advanced COP level Global Compact members whose CoPs (Communication on Progress) reporting highlights their CSR commitment,
  - refer to § 7. III.6.6 for a description.

Certain risks are addressed by more specific bodies::

- <u>Information systems management bodies</u>:
  - Security committee

- Updates with management on indicators and resources
- Legal updates
- DPO updates
- Quality/security update
- Security monitoring
- Review of clearances
- Review of accounts
- Review of management

refer to § 7. III.6.7 for a detailed description

- Ethics committee
  - this committee deals with the anti-corruption whistleblowing system,
  - refer to § 7. III.6.1 for a detailed description.

Handling of the risks.

The body which initially detects the risk is responsible for determining the person responsible for its evaluation. France this person may be assisted by a methodology consultant provided by the Quality and Security Department.
A variety of methodologies are used to handle these risks. They are all destined to implement measures when the risk reaches a high level where inaction in response to the risk is considered unacceptable. Similarly, these methodologies include measures designed to take immediately take advantage of appropriate opportunities available, with the above implementation of an action plan.
This risk is then evaluated in relation to its degree of probability and negative impact (or positive, if defined as an opportunity). These two criteria are associated with a level which may be qualified as nil, low, average or high. A correlation is established making it possible to qualify the critical nature of the risk : low, medium, high, critical A significant risk will be assigned the latter criticality value (critical, high).
Underpinning this evaluation, the risk is addressed according to 4 strategies:

- acceptance: no action is taken in response to this risk which is tolerated without taking any specific measure. In general, this represents a risk with low criticality.
- transfer: the risk is transferred to a supplier, through a contract who thereby becomes responsible for bearing the risk.
- reduction: the risk is mitigated to an action plan reducing its probability of occurrence or limiting its impact.
- elimination: a way is sought to avoid the risk altogether by completely eliminating its likelihood of occurrence.

The party responsible for evaluating the risk thus proposes an appropriate response, either by developing an action plan or transferring this risk to a higher level of authority, or both.
Attention should be drawn to 3 particular points:

- Risks relating to the corruption these risks are analysed in conjunction with an analysis of potential reputational, commercial, legal, governance and financial risks.
- Information system security risks: these risks are dealt with the assistance of a tool used to analyse the risk for sensitive assets, and notably information assets. Different threats are documented, for example among the most recent, cloud-related or social media risks;
- Environmental risks: in addition to their impact and probability, a regulatory criteria is considered in order to reinforce the requirement to comply with applicable laws, for example, relating to energy transition.

Examination of residual risk.

After addressing the risks presented above, the following are considered as non-financial risks:

- Concerning the risks associated with human rights:

  These risks are reviewed through CSR indicators reported by subsidiaries (see CSR committee) and addressed through recommendations obtained from the GC Advanced Club.
  At present, these risks are subject to a range of measures and monitored through selected procedures:
  - Subcontracting: monitoring charters signed, mandatory social declarations, as described in § 7 III.5.5.
  - Psychological Support and Counselling Unit in France: its missions are described in § 7 III.3.4.

  The main impacts would be a reputational risk resulting from the publication of information creating controversy adversely impacting Aubay's employer brand or its reputation as a source of subcontracting work.

- Concerning employment-related risks:
  At present, these risks are subject to a range of measures and monitored through selective procedures:
  - Gender diversity: middle level management is largely occupied women as a percentage of the total workforce (§ 7. III.3.6)
  - Combating stress in France: described in § 7 III.3.4
- Concerning risks associated with corruption:
  These criteria are reviewed on the basis of indicators reported by subsidiaries (see Ethics committee) and subject to measures adopted in 2017 in connection with the new France anti-corruption provisions ("Sapin II"). The associated policy and measures are described in § 7. III.6.1.
  Here as well the main risk is that of a reputational loss.
- Concerning risks associated with tax evasion:
  The tax residences of Aubay shareholders are located in the countries where they exercise their operations. On that basis, they comply with the tax law of each country where they operate. This risk is not established.
  This type of risk addressed by the GC Club Advanced is described in § 7. III.6.6.
- Concerning environmental risks:
  These risks are dealt with through the assessment of environmental issues in compliance with our 14001 certification.
  The associated policy and measures are described in § 7. III.4. These indicators are described in § 7. III.11 in the section dealing with the environment, and in particular tonnage of CO_2 emissions.

An additional risk factor is described in § 2. VIII which may be considered to fall within the category of non-financial risks.

- Concerning information systems security risks:
  The associated policy and measures are described in § 7. III.6.7.

III.2.2. Sustainable development at Aubay

Sustainable development is a strategy which pays off for those organisations seeking to strengthen their visibility over the long term.

Our Social and Environmental Responsibility strategy is based on several pillars:

- Management engagement,
- Social Policy implementation,
- Environmental Policy implementation,
- Regularly monitoring our CSR objectives.

In this respect, the success of a company is not conceivable unless the society and environment in which it operates also "succeed", in other words obtain redistributable benefits contributing to sustainability.

In an IT consulting and services company like Aubay, the importance of human capital makes social issues a priority, with for example, that of training its own staff. Other considerations related both to human resources and social issues result in sustainable development engagements: disabilities, combating stress… Finally, the environment is taken into account in the company by promoting the use of sustainable energy sources for travel and waste recycling.

No progress achieved is definitive as long as CSR issues remain;
That is why it is our job to constantly monitor every advance and find solutions to address these requirements;

The significant reporting efforts deployed in this report have a twofold benefit for Aubay.

The "quality" systems are very useful by imposing an information structure making it possible to quantify indicators which until recently were frequently interpreted in an intuitive manner.

In so doing, it raises awareness of the entire company of the potential effects in these areas from a multitude of small everyday actions, practices or reflexes that when taken altogether at the scale of an international company that Aubay has become, inevitably have a positive impact on people, the environment and the future.

Participation in the United Nations Global Compact
This compact unites companies and organisations by providing a voluntary framework for implementing commitments in favour of sustainable development, at a rate of one per year. Thereafter, these resolutions must be implemented on a continuous basis.

The number of these commitments is constantly growing, and several key accounts have imposed an obligation on their suppliers to join this initiative, through a CSR supplier pre-selection mechanism in which this criteria is decisive.

Reflecting the Global Compact status as a tool for selection, it has introduced levels of merit-based differentiation:

- “Learner” for new signatories.
- “Active” for companies having demonstrated their sustainable development engagement within their preceding multi-area commitments, including their measurement.
- “Advanced”, including the features of the “Active” classification in addition to implementing 21 advanced criteria and related good practices.

Since July 2015, **Aubay has been included in the third category.**

At the global level, companies in France represent the largest number of participants in the Global Compact, after Spain, as well as European companies.

Aubay joined Global Compact in 2004 under the impetus of Philippe Cornette, currently the CEO for France, who today could be considered to be a visionary:

“*Aubay has always placed a high premium on the quality of its services, the satisfaction of its customers and the skills of its employees, by acting in a socially and environmentally responsible manner. Aubay’s values integrate the Global Compact’s principles as a means of ensuring quality and responsibility in pursuing sustainable growth*.”

Aubay's 12 Global Compact engagements: 2007 to 2018:

2009: **Supporting persons with disabilities (the Disability Project)**

Aubay has adopted measures for recruiting and employing persons with disabilities (initiatives designed to keep disabled persons in the workplace). The new three-year agreement signed in early 2018 renews the terms of the previous disability agreements.
Percentage of employees with disabilities in France in 2018: 2.55%

2011: **Reducing workplace stress**

Aubay initiated a psychosocial risk assessment project identifying the causes of workplace stress per employee category with the purpose of adapting its organisation to eliminate these situations.
Number of employees in France receiving support in 2018: 534 (2017: 503)

2018: **Workplace well-being**

Aubay is committed to improving the well-being of its employees, in terms of health but also, skills development, the organisation of travel and hours within a setting that provides the proper balance between work and relaxation.
Concerning the Group, the number of occupational accidents remain stable (46 in 2018 vs. 49 in 2017)

2007: **E-learning**

Aubay has undertaken to provide training to all personnel initially through e-learning. This undertaking remains relevant today for classroom-based training, internal training or mentoring initiatives. In particular, Aubay deploys e-learning platforms covering both business line (Mediacursus) and technical (Plural Sight) areas.
Number of training hours provided in France in 2018: 16,702 (2017: 14,399)

2008: **Measuring the consumption of natural resources**

For the last 10 years, Aubay has been measuring its consumption of water, electricity, paper, kilometres travelled for the purpose of preparing future action plans. The measurement of distance travelled factors in the type of transportation involved: personal vehicle or public transport, train or plane.
In the last five years, in proportion to our workforce or office areas, we have reduced our paper and electricity consumption by 40%. In contrast water consumption has risen 34%.

2016: **Waste recycling**

As in 2005, Aubay undertook to pursue its approach of recycling waste while adopting awareness-raising measures and guidelines for all personnel, and reported the results achieved.
Recycled electronic waste in France in 2018 3 tonnes (2017: 1.86 t)
Recycled paper in France in 2018 4.54 tonnes (2017: 10.66 t)

2010: **Reducing the consumption of natural resources by limiting their travel**

Following the analysis of air travel measurements, beginning in 2010, Aubay has given priority to using videoconferencing technologies for meetings with remote staff. These resources were replaced by an integrated videoconferencing/telephone system available to employees of the structure within the different entities and Aubay subsidiaries.
Savings in the number of round-trip flights 106 in 2017

2015 : Environmental certification

Aubay increased its environmental commitment, by pursuing an ISO14001 certification approach. This certification was obtained in 2017. An energy audit was conducted in 2016. The major environmental issues concerns travel and waste recycling. *In France, 92% of staff use public transit to commute between their home and place of work.*

2012: Combating corruption

Aubay conducted a study to determine the potential causes of corruption associated with its activities. Following this study, a certain number of measures were adopted to eliminate all forms of corruption, including awareness-raising measures targeting sales staff.
In 2017, Aubay reinforced measures to combat corruption in connection with the introduction of new legislative measures in France ("Sapin II" law). As required by these new legal provisions, its application has been extended to all its European subsidiaries.
For France, 61% of at risk personnel benefited from awareness-raising measures (72% for the Group)

2013: Respecting privacy

Aubay is committed to protecting the privacy and the personal data processed by its information systems. At the end of 2012 Aubay adopted a procedure to protect personal data with the French data protection agency (CNIL, *Commission Nationale Informatique et Liberté*s) by appointing a person responsible for ensuring compliance with French personal data regulations (*Correspondant Informatique et Liberté*). In addition, for several years, all new Aubay employees sign an employee charter on computer and Internet use.
Finally, after the European General Data Protection Regulation (GDPR) entered into force on 25 May 2018, Aubay implemented measures required thereunder to strengthen the protections of personal data and safeguard the corresponding rights of individuals concerned. These included the appointment of a Data Protection Officer (DPO) in compliance with the GDPR provision.

2014: Responsible purchasing

Aubay selects preferred suppliers in line with the Business Linkages Charter signed in 2013 reinforcing requirements for reciprocal profitability such as sustainability. CSR and IT security criteria contribute to the process of evaluating suppliers. This approach is supplemented by supplier audits guaranteeing that CSR priorities are taken into account regardless of the nature of the service contract awarded by Aubay.
In France, two suppliers were audited in 2018.

2017: Promoting sustainable development goals

Aubay undertakes to promote the Sustainable Development Goals (SDGs) by implementing measures to monitor its CSR actions aligned with these goals. Awareness-raising campaigns initiated in this area will be continued for its personnel by sharing the results.

Aubay has been engaged in achieving 7 out of the 17 Global Compact SDGs since it first became a GC participant in 2004.

III.2.3. Our CSR labels

Other methods exist to audit exemplary practices in the area of sustainable development. Since 2007, Aubay has adopted solutions audit solutions with more appropriate audit methods that it implements at its own initiative or at the request of customers.

- EcoVadis (web audit);
- Gaïa Rating (SMEs and mid-sized companies).

An Ecovadis gold label

Ecovadis is a non-financial rating agency in the CSR field with a focus on SMEs and providing services to large companies to assess CSR-related supplier risks. Nine of Aubay customers are subscribers of Ecovadis services.

Through this rating platform, Aubay obtained in succession the Bronze label in 2012, the Silver in 2013 and the Gold in 2014. In 2018, Aubay's score was 76/100.

This score puts Aubay in the top 1% of suppliers evaluated by EcoVadis, both at the global level of all rated companies and in the "Computer Programming Consultancy and Related Activities" category.

A high ranking in the Gaïa Index

Gaïa-Index evaluates the sustainable development performances of listed intermediate sized companies and SMEs. The Gaïa benchmark is based on an assessment in four areas: governance, social, the environment and external stakeholders. In 2018, Aubay obtained a score of 80/100, in 8^{th} position for intermediate sized companies.

III.3. Human resources policy

The human resources policy covers all the Group's employees and the actions and results are analysed in the registration document and apply to the overall group.

III.3.1. The Aubay corporate disability project

As part of its Corporate Social Responsibility commitments, Aubay has promoted equal opportunity employment for many years notably through its disability project. In line with the agreement signed with AGEFIPH in 2009, Aubay France concluded a company-level agreement promoting the employment of persons with disabilities in November 2014.

Aubay signed its third 3-year company-level agreement in 2018 which included the main priorities of the previous agreements, and namely: recruitment, job stability/continued employment (workplace adaptation), training, communications and use of the sheltered work sector.

Another Aubay priority is to recruit a greater number of workers with disabilities. To achieve this goal, the disability project team participates at a number of job fairs destined both for the general population and specifically for workers with disabilities. This agreement reflects the company's aim to expand its role as a corporate citizen by multiplying initiatives in favour of the recruitment, integration and continued employment of persons with disabilities.

Aubay wishes to facilitate the process of obtaining the official status of disabled worker (RQTH initiative) giving access to specific benefits:

- Each disabled employee at Aubay receives a specific bonus (*prime à l'insertion*) based on this status
- The adaptation of their workstation
- Employees with this status are entitled to a three days of paid leave under the terms of the new agreement, compared to three half-days previously:
- 3 days of leave for administrative formalities required to obtain or renew the disabled worker status (RQTH) , subject to provision of the supporting documents.
- 3 days of leave for doctors' visits or medical exams related to the disability, with supporting documents
- three days of leave for procedures on behalf of a disabled child or spouse, also subject to provision of supporting documents
- All days of leave may be divided into half days

Aubay has created tools to promote the corporate disability project and raise awareness of employees and staff about challenges associated with disabilities. Every year during the French "Employment for Persons with Disabilities Week", Aubay organises events and produces communications tools. Several videos about disabilities are also available for viewing on Aubay TV.

In 2018, Aubay contracted services for its French sites with the sheltered work sector in the following areas:

- Catering for staff events: breakfasts, summer receptions,
- Employee wellness in the form of massages
- Printing services: stationery, files, staff correspondence, franking,
- Recycling for used computer products and office waste.

4 lines of action

INFORMATION AND AWARENESS RAISING

- Interviews and videos on the subject of disabilities on our YouTube channel: Aubay TV.
- Special episodes of our web series Bug on disabilities in the workplace.
- The distribution of flyers at job fairs and other events.
- Disability awareness-raising initiatives for managers, sales and recruitment staff.

PROMOTING JOB OPPORTUNITIES

- Aubay regularly participates in job fairs for persons with disabilities ("*Les Mardis du Handicap*", the ADAPT fair…)
- Special monthly meetings where corporate disability project teams of major companies meet and share their experience.

WORKPLACE SUPPORT AND TRAINING

- Persons with the official disabled worker status are provided with support in adapting their workstation(purchase of equipment, taxi costs if the disability prevents other types of transport).
- A local relationship by means of the Disability Project team correspondent.
- Studies to optimise the workstation set up

INCREASING USE OF THE SHELTERED WORK SECTOR

- Sheltered work structures are used to provide a number of services (ESAT ,EA) and partnerships exist with some (GESAT, UNEA).

III.3.2. Training

For a consulting firm like Aubay, personnel training is crucial to delivering excellent service and remaining aligned with current and future needs. That is why particular attention is given to organising this training and monitoring its effectiveness in a manner that develop the individual skills of each employee. Even though not all Group employees did not necessarily receive training in 2018, training programmes may be proposed to all employees during the year.

For the entire group, total training hours declined from 101,299 in 2017 to 100,153 in 2018. The training budget in 2018 rose 17% from the previous year (€1,703,460 up from €1,408,672). Approximately 0.82 % of the Group payroll is devoted to professional training.

In France, total training hours in 2017 amounted to 32,471 compared to 25,441 in 2017. These hours concerned selected salaried employees as well as contract trainees (*contrat de professionnalisation*). Excluding the latter, there were 16,702 training hours in 2018.

III.3.3. Career management

Career management is organised at Aubay within the framework of job and competency management and planning project* Aubay's business unit organisation makes it possible to offer consultants a very large and diverse choice of assignments.

Regular information meetings are organised over the career path of consultants:

- Mission follow-up meetings
- Professional performance reviews
- Mid-career reviews

III.3.4. Occupational safety

Aubay is particularly attentive to the health of its employees and preventing occupational accidents as illustrated by the data for French operations;

- No occupational illness were reported in 2017 and 2018.
- The frequency rate of occupational accidents and work commute accidents was down from 5.84% in 2017 to 5.07% in 2018. The severity rate also decreased from 0.13 to 0.09.
- 41 employees received security evacuation training, compared with 28 in 2017. There were 58 people in charge of security in 2017, compared to 50 in 2017.

Group data covers all subsidiaries:

- The frequency rate of occupational accidents and commuting accidents in 2018 was 4.78% compared to 5.77% in 2017 while the severity rate remained stable at 0.12%, unchanged from 2017.
- 115 people were in charge of workplace security in 2018 including 96 newly trained.

An independent survey conducted in France on the sources of stress by professional category is now carried out every two years (starting in 2008, and previously conducted every 4 years).

Finally, a psychological support and counselling unit in France provides services available to all company employees based on the principle of complete confidentiality:

- Personalised Meetings: for employees who may experience difficulties resulting from particular personal or professional events.

Communications training: designed for employees wishing to boost their motivation and optimise their customer relations skills. In certain cases this unit may recommend the services and assistance of the occupational health services.
These two departments combined conducted a total of 534 meetings in 2018 compared to 503 in 2017.

III.3.5. Promoting diversity and combating discrimination

As an equal opportunity employer, Aubay does not discriminate on the basis of gender, age, ethnic origin or disability. Aubay is committed to preventing all forms of discrimination and has adopted several agreements with that goal:

On 26 September 2016, we signed an intergenerational hiring agreement designed to maintain employees over 45 in the workplace, develop skills and qualifications and access to training and end-of-career planning.

Women at Aubay

While women are underrepresented in management positions in the digital services sector, Aubay has created an exception in the world of IT.

In France, women represent 39% of supervisory functions at the management level compared to 32% of the total workforce, a figure that merits emphasising. Beyond the benefits linked to the IT sector's strong growth characterised by a broad range of job definitions and career paths in France and abroad, Aubay gives women engineers and consultants the ability to pursue a career full of opportunities and challenges.

III.3.6. Other company-level agreements, CRS-driven synergies

Information is provided on these agreements for France. In 2018, four agreements were concluded:
- An agreement implemented by the Social and Economic Committee,
- Amendment No. 3 to the employee stock ownership plan (*plan d'épargne d'entreprise* or PEE),
- Extension of the jobs and skills management planning (*Gestion prévisionnelle des emplois et des compétences* or GPEC) agreement,
- Agreement concerning bicycle kilometric allowances.

In 2017, seven collective bargaining agreements were concluded covering the following objects:
- Adapting the wage policy to the actual conditions of the employment market which is very dynamic in order to attract and retain both young talent and highly qualified employees.
- Improving working conditions, guaranteeing a balance between private/professional life and preventing psychosocial risks
- Promoting harmonious relations Political and religious neutrality , adapting to legislative developments and promoting solidarity within the company
- Improving dialogue between employees and management:

This dynamic promotes a feeling of belonging to the company, and which can sometimes be an issue in the consulting field.

This contributes to improved working conditions for our employees and also indirectly benefits the company's economic performance.

III.4. Environmental policy

III.4.1. Management engagement,

Aubay's approach for a number of years, as characterised by Philippe Cornette, CEO for France, has been as follows:

"To reconcile our objective for growth and the protection of the environment, we are constantly optimising the use of our resources in accordance with applicable regulations and based on a rationale of continuous improvement. As illustrated by our initial environmental commitments included in Aubay's Communication on Progress reports (COPs) published with the Global Compact in 2008 and 2010, the environment has always been among its values.

In early 2015, we wanted to take another step forward, by initiating an ISO 14001 environmental certification process in order to significantly reduce our environmental impacts.

With that objective, we have set the following priorities:

- Continuing to optimise our travel, in collaboration with our staff,
- Reducing our energy consumption,
- Waste separation and recycling.

To ensure the success of this approach, the persons in charge of our general services and quality departments have been tasked with implementing the action plan. "***

As a result of these efforts, ISO 14001 certification was obtained for the French operations in July 2017.

III.4.2. The Aubay footprint

In its 2018 carbon report, Aubay emitted 5,562 tonnes of greenhouse gas emissions (CO_2), compared to 4,447 tonnes recognised in 2017. These emissions originate from energy consumption (electricity) and employee travel, and the km/employee ratio varies: 0.82, 0.66, 0.90, 1.08 tonnes from 2015 to 2018.

Aubay France emitted 743 tonnes of CO_2 in 2018 compared to 912 in 2017 and 655 in 2016. These figures are consistent with the underlying trend of growth in business.

III.4.3. Employee travel

Reflecting the specific nature of Aubay's business as a provider of consulting services and its 2008 Global Compact engagement in this area, employee travel (both business travel and home-work commute) is monitored closely.

On that basis, business travel in France generated 312 tonnes of CO_2 in 2018 (324 tonnes in 2017). If one counts all travel in France, this amounts to 669 tonnes issued in 2018 (839 in 2017), duly noting that residual emissions generated by its sites are directly controlled through the energy audit (see below).

Since 2012, considerable efforts have been made in France which allow the actual distances to be calculated. Since then, the measurement of travel has been gradually extended to subsidiaries.

- In 2014, Aubay Belux adopted this calculation method, followed in 2015 by Aubay Italy.
- In 2016 Aubay Spain and Aubay Portugal were added at the Group level.
- In 2017, a new mechanism was introduced in France to automatically measure employee business travel, thus streamlining the reporting process and providing more elaborate statistics.

The detailed methodologies are described in the Methodology Note (available in the French document)

Through this programme, Aubay contributes to reducing risks associated with climate change: employee travel generates greenhouse gas emissions, and for that reason are a significant environmental factor, in light the ISO 14001 for Spain and France, surpassing the impact of the same nature from the energy consumption of its offices.

III.4.4. 2016 energy audit results

Companies in France with more than 250 employees are required to conduct energy audits every four years.

This requirement was supplemented by a recent regulation establishing an energy efficiency obligation for offices of more than 2,000 m² according to the 2015 year of reference (25% by 2020, 40% by 2030).

The conclusions of the energy audit conducted by AFNOR Energies for Aubay in early 2016 were as follows:

- 2015 consumption of 909 MWh for the 2 sites of Boulogne
- Generating 76 tonnes of CO_2
- Recommendations for work to improve the lighting and the heating/ventilation system

At the end of the audit, the cost of the work was evaluated by different service providers along with their impact in terms of energy savings.

Decisions were adopted for measures providing returns on investment within less than one year:

- Adaptation of energy contracts,
- Time programming of air conditioning and heating.

The analysis of remaining work has been reported in relation with the leases since the Aubay offices are leased: one of the 2 office property owners has undertaken to proceed with the work recommended by Aubay to address these objectives.

III.4.5. Waste processing

Office and paper waste recycling adopted at the three Boulogne sites in 2018 is the consequence of an ecological and social mission.

- Ecological : waste separation, collection, recovery and recycling of paper/boxes and other recyclable waste.
- Social :creation of stable jobs for persons with disabilities. Aubay has developed a partnership with Cèdre, a sheltered work entity approved by the French Labour Directorate, of which more than 80% of its operating staff are disabled workers.

In this way, as a result of the eco-responsible practices of 75,000 employees in the partner companies, in 2018 Cèdre contributed to saving: 88,000 trees, 157 million litres of water and 2,890 tonnes of CO_2 that were not emitted.

Aubay waste collection programme covers a wide range of materials and objects: paper, glass, plastic, batteries, etc. in addition to archive documents destined for disposal.

Key steps of the recycling process:

1- An ergonomic waste bin placed under the desk is emptied once a week;
2- The contents are then emptied into suitable containers;
3- Collection of paper and other recyclable waste by the closest recycling facility,
4- Completion of weighing, traceability, tonnage reporting, environmental and carbon footprint measurements,
5- Manual paper sorting,
6- Evacuation and recycling in France of paper and other recyclable waste.

Following the implementation of selective waste separation with our service provider Elise, Aubay can boast 20 Atlas cedars planted in its name in the Beaumont sur Oise district in February 2017.

In light of the importance of computer equipment waste, Aubay has moved to expand the reporting scope for total production of this type of waste for subsequent periods.

Measurements and results since 2013

Waste separation processes exist at all French sites. In 2018, waste recycled in Ile-de-France broke down as follows:

- 3 tonnes in waste of electrical and electronic equipment (WEEE): 100% of evacuated waste has been beneficiated.
- 4.54 tonnes of papers;
- 7.74 tonnes of miscellaneous waste (plastics, cups, toner cartridges, glass…).

All sites in Belgium, Luxembourg, Italy and Portugal have adopted waste separation systems and in Spain one site out of the three.

In Spain, one of the three sites is covered.

In France, every new employee receives a “welcome pack”, a set of digitized administrative and business documentation within a fully recyclable gift box.

Special events are organised to promote good sorting practices.

Aubay regularly hosts edutainment events organised by the waste management service provider, Cèdre. Awareness-raising workshops were organised by the two Aubay sites in Boulogne-Billancourt. Aubay employees attended in number to learn and relearn environmentally-friendly practices, offering an opportunity to exchange views about recycling.

III.5. Responsible purchasing

III.5.1. Subcontracting policy

As Philippe Cornette, CEO for France recalled, Aubay adopts a pragmatic policy in respect to subcontracting:

"Aubay has become a top-tier provider of digital services having developed a prestigious customer base of approved vendor listings providing access to numerous markets.
We ensure execution by our personnel of virtually all the services awarded to us, in contrast to some of our competitors.
A few exceptions still remain. In our external expenses, the business volume originates in large part from subcontracting of IT services. In the case of subcontracting, no supplier is strategic in nature.
Our commercial approach itself identifies all risks or opportunities for those needs that are not covered.
Our suppliers are selected and evaluated in a fully transparent manner according to clearly defined criteria. The policy is spearheaded by our Request unit responsible for identifying the contribution of around forty approved partners, based on the application of a win-win approach."
In this area, we delegated implementation of this policy to our Request unit.

Aubay' principles sometimes entail finding a subcontracting solution for customers for the purpose of effectively addressing specific needs. This subcontracting has two main characteristics:

- It addresses the requirements of proximity, flexibility, expertise, customer focus, responsiveness and customisation;
- The management margin meets the requirement of profitability both for Aubay and its subcontractors who benefit from a prestigious customer reference, particularly in the bank and insurance sectors.

Aubay is constantly seeking to optimise its business through professional practices both for subcontracting and the services provided by Aubay employees directly.

To better meet this challenge, Aubay's subcontractors are selected through a vendor approval process divided into two categories:

- A pool of approximately 30 partners in France who have signed a responsible purchasing charters and completed a CSR questionnaire;
- A more limited group of preferred partners solicited in priority for requests for services from Aubay customers when in-house solutions do not exist.

Initially, for a potential partner to be approved, Aubay takes into account both quantitative and qualitative criteria: prices, quality, commercial responsibility, sustainable development.

Thereafter, according to the same criteria, all partners are evaluated every year, and also in connection with a subcontracting event.

III.5.2. The implementation of this policy

Aubay developed master agreements adopted in 2017 and has ensured GDPR compliance, providing the basis for the partner approval process referred to above.

Particular efforts are deployed to address societal requirements in terms of security: contractual clauses covering personal data and copyrights, audits conducted by Aubay or third parties, etc.

Indicators are monitored to ensure that recourse to services according to the category of subcontractors remains controlled and balanced: number of consultants, sales volume, etc. These indicators are monitored on a monthly basis by the management of each subsidiary and provide a means to confirm the ethical nature of Aubay's responsible purchasing practices.

Aubay's policy is to ensure its customers benefit from the best subcontracting offer resulting from this process.

Aubay takes measures to ensure its operations are properly managed with respect to external purchases:

- The acquisition of property, products and services necessary for the company's operations, excluding its core business of providing consulting services to its customers, is systematically subject to a review of the supporting arguments presented by the relevant department. The decision to proceed with the acquisition is made by the subsidiary manager, and exceptionally the Group finance and legal departments.
- The purchase of business-related subcontracting services is subject to specific rules with respect to the margin generated therefrom. When the management conditions are met (see below) an agreement in principle is given for this purchase when the corresponding margin is above a minimum threshold.

- When the margin falls below this threshold, an explicit authorisation from the chief executive must be obtained.

III.5.3. Management of subcontracting activities

The majority of suppliers for subcontracting activities are subject to a management process introduced in 2014.

On this basis, the approval of Aubay's potential suppliers is subject to several verifications and analysis:

- Verification of compliance with legal obligations: registration (existence of the "KBIS" certificate of incorporation), social security payments (eliminatory)
- For companies, a master agreement is drawn up and a CSR questionnaire is completed.

Companies are subject to particular oversight ensured by the dedicated REQUEST team. This team monitors around 30 companies selected as preferred partners to provide subcontracting services who are then given preference for mission proposals Aubay receives from its customers.

About the evaluation of subcontractors:

All subcontractors are systematically evaluated. The company described above as partners are measured by a score of 10 taking into account criteria measured as follows:

- Commercial responsiveness: representing 2.5/10 of the score
- Service quality: 2.5/10 of the score
- Cost: 2.5/10 of the score
- Safety: 1.5/10 of the score
- CSR: 1/10 of the score

Other purchasing line items such as logistics and general services, hardware and software purchases, training, etc. are also subject to a supplier evaluation. However, the amounts incurred and the pertinence of the Aubay business stakes are less significant within this category.

III.5.4. The responsible purchasing charter

Aubay complies with a responsible purchasing policy at several levels.

Signature of the business linkages charter

In 2013, Aubay signed a charter governing business linkages with other companies providing for the appointment of a mediator for the settlement of disputes linked to the execution of a contract, whether involving the acquisition of goods or delivery of a service.

Establishing a responsible purchasing charter

Aubay requires its partners-suppliers to sign a purchasing charter qualifying them to participate in Aubay subcontracting assignments under optimal conditions. This charter has been translated into English, Italian and Spanish to extend its application through subsidiaries to national suppliers in these markets.

III.5.5. Deployment of responsible purchasing

Responsible purchasing practices have been integrated into the Aubay subcontracting policy through the following measures:

CSR training for the REQUEST unit

As a signatory of the Global Compact, Aubay has undertaken to a responsible purchasing policy through its REQUEST unit (2014 COP commitment). To this purpose, the operations of the unit in charge of Aubay subcontracting purchasing has been formalised and information has been provided on CSR outputs expected in the supply chain. On that basis, procedures for the evaluation, supplier approval and selection according to the score, were experimented in the field.

CSR training for subsidiaries

Subsidiaries in their turn were invited to participate for the first time in the CSR committee meeting of June 2015 at which all CSR stakeholders of the Aubay subsidiaries participated. This committee continued to operate in 2018.

This event provided opportunities to address practical issues relating to adopting a sustainable purchasing policy, where difficulties were concentrated on the non-existent recourse to subcontracting or use exclusively of freelance solutions.

Exchanges following the CSR led to the development of a common language based on propositions derived from the subcontracting activity in France.

III.5.6. Subcontractor data

	Number of subcontractors	Number of company subcontractors	Number of freelance subcontractors	Purchases in € (2018)
France	271	241	30 (*)	29,087,774 €
Italy	256	192	64	17,177,325 €
Belux	52	18	34	5,391,753 €
Spain	24	17	7	4,125,670 €
Portugal	129	3	126	3,439,876 €
Total	732	461	271	59,222,398 €

(*) 16 freelancers, 19 umbrella company contractors and 5 client entity contractors

III.6. Other social commitments

III.6.1. Anti-corruption policy

Combating corruption, an Aubay commitment since 2012.

A Global Compact signatory since 2004, Aubay voluntarily became engaged in combating corruption in 2012. On that basis, after investigating potential causes, Aubay adopted measures to raise awareness in the business area and eradicate all forms of corruption.

Accordingly, it should be noted that at the end of 2013, 97% of sales staff in France had been informed about this issue and signed an ethical charter where they undertook to comply with its anti-corruption policy.

Reinforcing the anti-corruption policy

Aubay's engagement in this area was reinforced in 2017 with the introduction of new legislative measures in France on 1 June 2017 ("Sapin II"). Henceforth, a code of conduct is attached to the rules of procedure and now applies to all employees.

In addition, a whistleblowing procedure was adopted in 2017 to report any information about an incident of corruption, while maintaining the confidentiality of the whistleblower's identity. For the purpose of processing possible alerts, an Ethics Committee was set up which sends a report to the Audit Committee once a month. It should be noted that for fiscal 2018, no incident was referred to the Ethics Committee.

Finally, the population considered most at risk in the area of corruption, namely sales personnel, continued to receive training which was provided in France and in most of Aubay's subsidiaries in 2018.

In the 2019 first quarter, training was provided to the Portuguese and Belgian subsidiaries.

On that basis, at the end of 2018, 72% of the workforce received anti-corruption training.

Benefits of our anti-corruption engagement

Business integrity contributes to Aubay's good reputation.

We attach the highest importance to irreproachable conduct in our dealings with stakeholders.

Our code of conduct is for that reason designed to guide the way we do business and provide practical advice, examples and links to other useful information.

Copies are sent to all our employees, members of our executive and management committees and Group executive officers.

It defines the principles they must follow in their business practices. It supplements the rules, procedures and standards existing in each country to which all staff must continue to refer.

All persons acting on behalf of Aubay are required to comply with this code of conduct regardless of the place or nature of their work.

Every Group entity was also required to take the necessary measures in 2018 to implement this code of conduct.

This detailed code describes the basic rules, notably in the following areas:

- Gifts, gestures of courtesy and hospitality, entertainment.
- Specific rules applying to public officials.
- Gifts to charitable or political organisations.
- Patronage, sponsoring.
- Facilitation payments.
- Initiating the monitoring of third parties.

This document however cannot answer all questions that might arise and does not eliminate the obligation of exercising one's own good judgment and common sense. In the event of doubt about the conduct to adopt, we recommend that staff inform their manager or the Ethics Officer.

Adherence to this code is a condition of employment to all employees of our Group and no violation thereof is tolerated. Copies of this code given to all new employees and have been distributed to all existing employees. It is to be read, understood and applied by every employee. Employees understand the serious consequences which may result for our Group and themselves from a violation of this code. To the extent that any case of misconduct or noncompliance of the rules set forth in the code could cause serious reputational damage and financial costs to Aubay, employees must exercise the greatest vigilance in complying with the rules established therein.

Aubay Group is committed to ensuring that its partners share the same values and are themselves committed to combating corruption.

III.6.2. Mécénat Chirurgie Cardiaque

Each year Aubay works alongside Mécénat Chirurgie Cardiaque in supporting events organised on behalf of children suffering from a heart conditions: patronage, participation in the annual golf event and cultural events (*Le Récital du Coeur* in 2015...).

Its mission is to enable children afflicted with serious heart diseases in underprivileged countries have operations in France not available to them where they live because of the lack of technical and financial resources. The children live with host families for eight weeks, then leave cured.

III.6.3. No Finish Line PARIS 2018

No Finish Line, a charity race raising funds for organisations dedicated to helping children was first organised in Monaco in 1999 and held for the first time in Paris in May 2015. The principle is simple and accessible to all: run or walk a track of approximately 1,300 m, open 24 hours a day over a five-day period as many times as and for as many kilometres as one wants. For each kilometre covered, €1 is paid by the organisation and its partners support projects in favour of disadvantaged or sick children (within the limit of donations collected from individuals and companies).

This year, Aubay contributed €800 representing the total number of kilometres covered by its employees.

III.6.4. La Cravate Solidaire

Aubay has been participating since 2015 in the clothing drive organised for the benefit of the not-for-profit, La Cravate Solidaire. The clothing thus collected is then offered to students or persons reintegrating professional life. The clothing is for that reason selected by an image consultant to help them make the best possible impression for their job interviews. This not-for-profit also prepares candidates for these interviews.

Aubay successive participations in these clothing drives resulted in the collection of 83 kg of clothing in 2016, 115 in 2017 and 123 in 2018.

Aubay in this way contributes within its own universe of services to promoting professional integration, the circular economy in favour of young people and the reuse of attire.

III.6.5. Reinforced governance, regulatory compliance

Aubay is now able to address by area each sustainable development advance as a full-fledged requirement in line with those of its customers.

After executive management has reviewed their annual quality objectives, every line manager provides a report on their sustainable development performances, in compliance with the GRI (Global Report Initiative) indicators. An annual review committee meeting scheduled for the year is the opportunity to present the first CSR achievements before publication. This CSR committee also presents to the Board of Directors the operational approach adopted in order to meet the commitments that have been made.

As a company with more than 6,000 employees Aubay presents in a number of ways on its websites and intranet the actions taken and direction adopted or the purpose of taking into account the social and environmental consequences of companies' activities and their societal commitments in favour of sustainable development.

The information provided in its management report covers subjects organised into three categories: human resources information, environmental information and information about social commitments in favour of sustainable development.

Aubay's Global Compact progress will make it easier to comply with the new reporting requirements.

III.6.6. Participation in the Global Compact Advanced Club

Aubay has participated in the work of this club since 2015. Its membership followed its submission in July 2015 of its Communication on Progress (COP) commitments rendering it eligible for the "Advanced" level based on the 21 criteria for the quality of the commitment and its application. Different subjects have been addressed through bimonthly exchanges between these companies:

In particular, it:

- The work of the GC Advanced Club conducted in October and November 2015 made it possible to confirm the criteria and define in detail the sustainable purchasing issues. This work has been spearheaded by OBSTAR with the agreement of Global Compact France.
- In 2018, the main subjects addressed covered: Fiscal responsibility, the investors approach and CSR, the concept of materiality, responsible purchasing, returns on investments of CSR measures, an expanded corporate purpose…
- The October 2018 meeting on fiscal responsibility of the company identified different areas related to this thematic and regulatory issues: tax evasion, tax fraud, tax optimisation, tax havens, effective tax rate, tax gaps, transfer prices.

III.6.7. Information security and personal data protection

Appointment of a Data Protection

Aubay's Data Protection Officer (DPO) was appointed in May 2018.
This appointment was made in connection with the implementation of the EU General Data Protection Regulation (GDPR).
Aubay has always been committed to respecting the privacy and rights of individuals.
On this basis, the DPO guarantees that the rights of individuals are respected in the area of personal data protection.
The DPO also guarantees that Aubay, as subcontractor of its customers, complies with this RGPD obligations.

Protecting individual liberties and personal data

Starting in 2012, has been committed to protecting personal data, notably by appointing a person responsible for ensuring compliance with French data protection regulations (*Correspondant Informatique et Liberté*).

In addition, a number of measures have been carried out internally by Aubay:

- partitioning and protecting networks and dedicated infrastructure;
- managing extended authorities and access control privileges;
- implementing solutions for encrypting sensitive data for storage and transmission.

In May 2018, in connection with GDPR's entry into force, Aubay took measures to comply with these requirements, by:

- appointing a Data Protection Officer (DPO);
- implementing a number of procedures allowing individuals to exercise their rights (and notably, the rights to information, obtaining consent, formulating objections, access and corrections);
- obtaining the consent of persons transmitting personal data;

- maintaining a record of the processing of personal data;
- adopting reinforced measures for access to personal data;
- raising awareness of staff about the importance of personal data protection
- increasing its insurance coverage to a level approaching 4% of Group revenue.

On this basis, the DPO guarantees that individuals' personal data protection rights are respected, and more generally, ensures compliance with GDPR provisions.

It also guarantees compliance with Aubay's obligations under GDPR as a subcontractor of its customers. On that basis, a selected number of amendments to contracts concluded with its customers were signed.

In addition, Aubay expects the same level of compliance with GDPR provisions by its suppliers. With this respect, the security policies and supplier charters have been revised, the scope of audits extended and the information security requirements reinforced for Aubay suppliers.

Finally, it should be noted that with the exception of Portugal which is expected to be completed in 2019, each Group company has appointed its own DPO and established its own processing record.

Information system security risks

Aubay has been ISO27001 certified as of January 2018 and information systems security risks are identified, analysed, processed and then controlled according to procedures adapted to the appropriate security requirement level. Aubay ensures the security of information through measures of physical and logical protection of its information assets and their material supports, grouped within partitioned entities, but also by raising the awareness of the company's personnel.

Security measures are described in the security policy information made available and published online on the intranet. Good security practices are presented to employees through the initial awareness-raising initiative organised through a face-to-face training session, and then supplemented through a number of recurrent awareness-raising measures.

Through a risk analysis tool, Aubay continually updates the list of assets to be protected, studies the different threats identified and evaluates measures adopted to address these risks. In 2018, particular efforts were focused on deploying a SIEM (Security Information and Event Management) application, connected to the company's surveillance systems. This made it possible to complete the surveillance and control systems used at a SOC (securities operations centre), but also evaluate and handle risks related to protecting personal data.

Implementing RGPD requirements led to a number of developments at the level of management processes: organisation of a data processing record as recommended by the French data protection agency (CNIL), implementing specific risk analysis tools, updating security policies and charters, extending the scope of internal audits and process reviews, signing amendments of contracts with subcontractors and suppliers, updating awareness-raising tools, organising specific communication and training measures.

Security stakeholders

An Information Systems Security Officer (ISSO) was appointed in France in November 2014 to define and ensure compliance of Aubay's security policy, with the support of the organisational and technical resources made available by the CEO.

In 2018, the security organisation was strengthened by new developments:

- The appointment of a DPO (Data Protection Officer);
- The implementation of a multidisciplinary team of internal auditors;
- The appointment of Operational Security Correspondents (OSC) in each service centre.

Monitoring security risks at AUBAY

In compliance with its ISMS (Information security management system) policy, Aubay has implemented an organisation for information security based on a number of oversight and control bodies. The mission of these corporate bodies is to validate the deployment of security measures expected, accelerate the handling of alerts, promote rapid short decision-making cycles adapted to the level of responsiveness required by stakeholders. In 2018, the nature of these bodies and their work was organised as follows:

Annual	Bimonthly	Monthly	Biweekly	Weekly	Upon request
. Management review . Process reviews . Review of clearances . Internal audits	. Delivery committees . OSC updates	. Security committees . ISSO-DPO updates . CEO*** indicator updates . Review of accounts	. CEO security updates . Quality/Security Updates	. Security Intelligence Updates	. Customer Security Audits . Customer Business Continuity Planning exercises . Crisis Management Unit

Security Policies

The security policies organised by theme the rules to be adopted to address security requirements (standards, regulations, customer expectations, Management commitments).

The two main policies, the ISMS plan already cited and the ISSP (Information System Security Policy) aligned with Aubay's ISO 27001 declaration of applicability, are completed by a range of eco-policies, including a personal data protection policy regularly updated and available online on the intranet.

III.6.8. Professional integration

Local job offers

Aubay's business as an IT service provider is largely concentrated in the most dynamic economic regions. For that reason, in France its offices are limited to Ile de France and Nantes. The activity in Nice is managed from Ile de France. Recruitment at each of these sites is carried out locally. This same policy applies to the sites of all of the Aubay Group's European subsidiaries.

As an illustration of this policy, on 29 September 2016 Aubay participated in the forum organised by a trade union and the local employment agency of Villiers le Bel. The objective of this initiative was to promote employment in remote regions and to propose young candidates (16 to 25) jobs, internships and work-study programmes. The exchanges at this forum helped these young candidates in their job search, define a professional project and gain access to the world of work.

Work-study policy

Aubay awards scholarships to interns and job candidates who wish to pursue training as an engineer through a work-study programme in the company. This aid enables students to pursue their studies on a work-study basis, acquire training within a top-tier company and be recruited as a permanent employee. In 2018, not fewer than 5 apprentices and 21 trainees ("contrat de professionnalisation") benefited from this policy, organised through a special system (POEI or *Préparation Opérationnelle à l'Emploi Individuel*) facilitating programs for work-based learning and providing financing for up to 400 hours of training within the company.

Internship policy

The internship policy has been considerably strengthened over the last few years, notably with the creation of the position of Campus Manager. 17 partnerships were created in France with higher education institutions in 2018 compared to 7 in 2016, involving Aubay's participation in job forums and the recruitment of several interns. In France, the number of interns has increased significantly in recent years.

- 2013: 39 interns of whom 11 in their final year
- 2014: 85 interns of whom 51 in their final year
- 2015: 118 interns of whom 60 in their final year
- 2016: 121 interns
- 2017: 87 interns
- 2018: 56 interns

Build your career

In 2014 Aubay launched the Buildyourcareer@aubay programme for students in their third year of university studies to provide them with a genuine pathway to pursue their career opportunities.

This includes the organisation of several meetings with executive management and the business unit managers. These exchanges offer students exposure to working conditions in the field and, in particular, with our customers. They also are given an opportunity to discover the group's welcoming and dynamic culture through the organisation of serious games and evening events, illustrated by the "Happy Trainees" label awarded to Aubay for the third consecutive year.

Aubay obtained the "Happy Trainees" designation for the quality of its internships for the third consecutive year!

Aubay welcomes students every year, one half of which through end-of-study internships. These students come from the top engineering schools or dual programmes in engineering and business. They work on challenging subjects within our innovation unit (Augmented Reality, Big Data, Digital), at the heart of business operations as sales engineers in the Consulting, Finance and Telecom departments, within the Group or at customer sites.

At the end of the mission, our students provide input on the quality of their experience through the Happy Trainees survey (*). Six areas were analysed: professional advancement, working environment, management, motivation, sense of pride, fun and pleasure.

Out of the total panel of 1,500 companies, only 150 are certified. Aubay was awarded the HappyTrainees certification for 2018-2019!

**"HappyTrainees " ranking, trainee survey (2017-2018).*

III.7. Our Quality labels

- ISO9001: 2008. Certificate renewed by Afnor Certification for June 2018 to June 2021 Quality Management: Digital Services Company, Fixed-Price Service, Technical Assistance, Information Technology and other services (EA33 and EA35).
- Aubay achieves CMMI-DEV Level 3, for the software design and development services of its Service Centre. Obtained in 2014 and renewed and 2017
- ISO20001-1: 2011. IT service management, with an equivalent standard to individual (Information Technology Infrastructure Library (ITIL) certifications.
- ISO 15504 - ISO/IEC 12207: 2008 (Software Process Improvement and Capability Determination standard). A framework for evaluating IT processes.

III.8. Our CSR Labels

- ECOVADIS: after being awarded a gold label in France 2014, in 2018 Aubay obtained a score of 76/100 and ranked in the top 1% of companies measured, both in the general category ranking and the “Computer programming and Services” category.
- ETHIFINANCE: Aubay is ranked according to the Gaïa index with a score of 80/100 and 8th in the “€150m-€500m revenue” category.
- ISO 14001. Environmental management
- Global Compact CSR commitments for the time period of 2015 to 2018: “GC Advanced”
- Aubay obtained the “Happy Trainees” designation for 2018-2019 for the quality of its internships.

III.9. Our Security Labels

- ISO 27001. Information security management system, January 2018
- Aubay is authorised by the *Commission de Surveillance du Secteur Financier* (CSSF), Luxembourg’s financial sector regulator.

III.10. Methodology note:

III.10.1. Selection of non-financial indicators

The environmental, human resources, and social information presented herein are selected according to criteria of materiality and relevance to our activities (§7 III.2.1) and sustainable development strategy (§7 III.2.2).

This information is reported according to the GRI-G4 sustainability reporting guidelines, linked to the international context of Aubay’s activities.

All information covered by the non-financial statement includes notably information relating to the consequences of climate change of the company’s activity and uses of the goods and services it produces, its social commitments in favour of sustainable development, the circular economy, combating waste and measures against insecurity, respecting animal well-being and responsible, fair and sustainable food practices, collective agreements concluded in the company and their impact on the company’s economic performance as well as the working conditions of employees, measures taken to combat discrimination and promote diversity and measures in favour of persons with disabilities.

Only measures combating food waste, combating food insecurity, respecting animal well-being and responsible, fair and sustainable food practices are excluded from the table of indicators provided below, in light of their limited degree of relevance with respect to our business.

III.10.2. CSR reporting boundary

Human resources information:

This information covers the 6 subsidiaries of the Aubay Group: France, Belgium, Luxembourg, Italy, Spain and Portugal.

Excluded:

- the legal entity created in the United Kingdom in 2013 employing seven people, of which six consultants and one manager in a leased office,
- AEXIA located in Tunisia, sold in 2018.

Exceptions for certain information are specified above in the table of indicators

The headcount indicated in the Quality and corporate social responsibility chapter differs from the figure disclosed in the other part of the report which includes subcontractors.

Environmental and social information

This information covers the 6 subsidiaries of the Aubay Group: France, Belgium, Luxembourg, Italy, Spain and Portugal. Sites covered:

- France: 3 sites in Boulogne, Nantes. There is no physical office in Nice, with the consulting activity managed from Boulogne,
- Belgium and Luxembourg: 3 sites in Brussels, Namur and Luxembourg (the two countries forming the Belux zone)
- Italy: Rome, Milan, Turin, Calabria, Bologna

Spain: Madrid, Valladolid, Barcelona Portugal: Lisbon, Porto Excluded:

- the finalised legal entity created in the United Kingdom in 2013 whose activity is not significant;
- AEXIA located in Tunisia, sold in 2018.

Exceptions for certain information are specified above in the table of human resources indicators

III.10.3. Sources and tools used

Environmental indicators are derived from sites and local entities collected using the tools of the departments concerned (Management Control General Services Finance) and consolidated by the Quality Department.

III.10.4. *The process of consolidating and verifying indicators*

For certain countries with distinct sites or subsidiaries, the guidelines were adapted to provide for the collection of data specific to these sites.

The quality management organised two web conferences at the end of 2018 and early 2019 in order to explain and monitor the collection of information requested.

All indicators are then consolidated centrally by the Quality Department. This consolidation is first carried out for CSR data of 2018, and then extended to the historic data for a number of years.

III.10.5. Consolidation of indicators by aggregation

The following indicators are consolidated by the aggregation of subsidiary data

SOCIAL SECTION
Sponsorship budget
Partners with stakeholders and communities: number of internships, partnerships, NGO commitments.
Legal and regulatory watch committee : number
Subcontracting: number of subcontractors, subcontracting volume
Collective agreements: number of meetings with union delegates
Security practices: personnel in charge of security, security training.

HUMAN RESOURCES SECTION
Total headcount, payroll and turnover, number of new employees, dismissals
Dialogue between employees and management: number of Health, Safety and Working Conditions Committee meetings, signature of collective agreements
Work and safety conditions: number of work-related accidents, number of lost days
Training: training expenditures, training expenses as % of payroll, number of training hours

ENVIRONMENTAL SECTION
CO_2 emissions: according to consumption by site, type of travel
Certification : number

III.10.6. Consolidation of indicators by weighting

The following indicators are consolidated by weighting subsidiary data according to headcount

SOCIAL SECTION
Combating corruption % of strategic data covered, % of personnel in at-risk areas educated about corruption

Employment: % of company subcontractors, % of independent subcontractors, % of suppliers subject to an HR audit Weighted according to the number of subcontractors rather than headcount.
Non-discrimination: % of women in management level positions
Security practices: rate of signature of the employee charter on computer and Internet use

HUMAN RESOURCES SECTION
Headcount: headcount by gender, headcount by age bracket
Working time organisation: % of full-time workers, % of part-time
Work and safety conditions: absenteeism rate, lost time injury frequency and severity rates

ENVIRONMENTAL SECTION
Waste management: 93% of sites covered by waste separation Weighted according to the area

Indicators relative to total headcount:

- Consumption of natural resources: quantity of paper purchased, volume of computer equipment recycled
- Employee travel: all indicators

III.10.7. Indicators specific to France

SOCIAL SECTION
Risk of forced labour: number of individual coaching sessions, medical visits, of “Stress Observatory” meetings and persons trained.
Subcontractor indicators: umbrella company contractors, client entity contractors, subcontractors as a % of headcount and purchasing volume in €.

ENVIRONMENTAL SECTION
Waste management: volume of paper collected for recycling.
Certifications: ratings obtained by Ecovadis, Gaia-Ethifinance
Investments and returns on investment: reduction in the number of plane tickets from videoconferencing

III.10.8. Specific points by indicator

Indicator	Specificity
Employee travel	**Measurement of distance travelled (km):** In France: • Travel by car was reviewed for all journeys, reimbursed or not : when reimbursed, actual distances are known, according to distances travelled by privately owned or leased vehicles, monitored by the accounting or leasing manager. Travel by taxi is considered to be negligible. • CO_2 emission calculations are based on average emissions provided based on the type of vehicle concerned for professional travel: leased vehicle, employee vehicle. This gives a very precise figure for these emissions: engine power, type (gas/diesel), actual distance travelled. • For non-reimbursed travel, in the case of home-to-work commutes by car or public transport, distances are calculated by specialised sites (Mappy or Via-Michelin), and taking into account travel between the employee's home and work location. • The monitoring of daily commutes is assured for employees on assignment through the building tool (Gipssi) and a specific application used by management assistants. • Commuting by train is also monitored through these tools, and considered as travel by public transport for the purpose of homogeneity between subsidiaries. • Distances are measured for headquarters employees according to an annual ratio of 212 days worked. • All employees for which data is unavailable (for example if the department of the home is not indicated by the assistants) are processed by applying a calculation base according to the daily km average by site for round-trips • Professional travel by car includes the distance travelled by the leased vehicle or personal vehicle with kilometric allowances. This includes home-to-work commuting. • Data for business travel by train and plane is provided by the Mathez travel agency. In Belgium and Luxembourg: • Leased cars proposed to all employees make it possible to more precisely monitor distances travelled with respect to kilometric allowances, • CO_2 emission calculations are based on average emissions provided for each vehicle by the leasing companies which gives a very precise figure for these emissions: engine power, type (gas/diesel), actual distance travelled. • To this is added, distance by train and public transit (metro/tramway) for certain employees, with the corresponding emission rate. • Two types of car travel are monitored: business travel, home-to-business commuting which includes private travel. • In consequence, private travel is taken into account in calculating the indicators. In Italy: • A survey made it possible to produce a precise sample for three categories of consultants (Finance, SAP, Telco). This made it possible to calculate actual home-work commutes by type of transport for this sample. • Business travel by car represents the total amount of travel by taxi and own or leased vehicle with annual distances estimated according to driver profile. • Travel by taxi and other travel are estimated from the kilometric allowances according to the type of travel: the number of trips is estimated on the basis of the average cost of a trip, then the total distance is deducted from the average kilometric distance of a trip. In Spain: • A survey of consultants made it possible to produce a panel of employees. The calculation of the resulting trips was then applied in order to take into account the total number of consultants • An equivalent method was applied to personnel in the Aubay structure, using their personal or a leased vehicle In Portugal: • A survey was conducted from a sample of staff of two sites (Porto and Lisbon) on types of transport: car or public transport. No distinction is made between professional travel and home-to-work commuting. • A precise kilometric record does not exist though an average was calculated of the lowest number and the highest number of kilometres of this sample. The resulting figure was extrapolated over the year. • A priori no employee travelled by plane or train in 2018. Air travel concerning meetings in France are included in the calculation for French emissions in accordance with Group rules. ***Distinction between the type of transport used for home-to-business commutes:*** • In France, the distinction is based on actual measurements, verified together by the consultant and the management assistant. • In Belgium and Luxembourg, it is considered that all employees without a leased car use public transport for their home-to-work commute. Distances travelled by public transit are known. • In Italy, the distance of home-to-work commutes and business travel were measured through a survey by BU consultant to determine the means of transport used for each Aubay Italy employee. In the case of a mixed transport method, only the main type of transport was used. ***Number of employees:*** • When calculating ratios for kms/person, the statutory headcount at 31/12 was used, excluding actual calculations of distances travelled according to the billing calendar.

Indicator	Specificity

CO_2 emissions associated with employee travel	The following emission factors are used in gCO_2e/km/passenger: (ADEME V15 *Base Carbone*®, excluding plane travel)
	• Train: 4.645; 31.7; 51.4 ; 44.05; 61.5 (respectively for France, Italy, Spain, Belux, Portugal)
	• Plane: 238 (Source: Department of Energy & Climate Change - UK Government conversion factors for Company Reporting)
	• Employee vehicles: 253, except for:
	  • Belux = 125 for professional travel and 111 for home-to-work commuting, where emissions are given for each vehicle
	  • France = 135 for professional travel, where emissions are given for each vehicle The calculation of emissions for home-to-work commuting is based on a ratio provided by the French Environment and Energy Management Agency (ADEME)
	• Public transport: 13.115
	
	Calculation of emission factors adopted the following assumptions:
	• Belux train travel: calculated for Belux according to the average for Belgium and Luxembourg of emission factors
	• Plane travel: business class for a flight of 1,000- 2,000 km, average used for 2 categories of aircraft of 100-180 seats and 180-250 seats
	• Public transit: weighted indicators based on 5% travel by bus and 95% by metro/regional express network

Capital expenditures (€)	France: • A calculation since 2010 of savings in plane tickets attributable to the use of videoconferencing. These trips are often made by Group management, for subsidiary committee meetings or unplanned trips The number of trips avoided by the use of videoconferencing technologies is recorded for France.
Area (sqm)	In general, a calculation of the area is conducted in the event of a change during the year to obtain an average value for the year: amount of the area at 31/12/2017 of year N, to which is deducted area acquired, weighted for the time period between the acquisition date and year end. In a similar manner, by adding areas given up, weighted for the time period between their restitution and year end. In 2018, in contrast the 2017, the total area of premises occupied by Aubay remained unchanged. France: • Two new platforms facing the headquarters were acquired in mid-2017. Italy: • New premises were acquired in connection with a business acquisition at 1/10/2017. Belux: • Premises were abandoned in Luxembourg during 2017: covering 485 sqm, at 31/12/2018 there remained only 435 sqm
Paper consumption (A4 equivalent pages)	This represents quantity of paper purchased by entities, except for Belux based on a measurement made at the level of the equipment.
Electricity consumption (KwH)	The amount of electricity purchased directly by the entities. A method was adopted for measuring occupied space when entities are unable to collect precise information. In France, consumption is measured through individual meters.
CO_2 emissions associated with electricity consumption	The following emission factors are used in $gCO2e$/kWh: (ADEME V15 *Base Carbone*®) • France: 79.1 • Italy: 406 • Spain: 238 • Belux: 315 (average of emission factors for Belgium and Luxembourg) • Portugal: 255
Water consumption (m^3)	Amount of water purchased directly by the entity estimated on the basis of building consumption and the percentage occupied by Aubay. For Portugal, only the consumption of bottled water is taken into account.
WEEE recycling (tonnes)	Electrical and electronic equipment is recycled in France and Spain. Volumes included in the calculation are based on supporting documentation provided by the companies responsible for collection.
Workforce	Employees whose contracts ended on 31/12 of year N are included in the headcount. Trainings, subcontractors and work-study contracts (skills-acquisition and apprenticeship contracts) are excluded from the headcount data
Turnover (units)	Employees whose contracts ended on 31/12 of year N are included in the headcount. Outgoing employees will be reported in the next report cycle (for year N+1). Employees whose contracts began on 31/12 of year N are included in the headcount. Incoming employees are registered in the reporting for the year under review (year N).
Number of hours worked	This is calculated according to the number of days worked derived from internal tools (Gipssi in France), multiplied by: • France: 7.7 hours • Belgium (Brussels) : 7.6 hours – In contrast, 8 hours for Namur linked to the management tools. • Other subsidiaries: 8 hours
Absenteeism rate	The reasons for absences included: illness, parental leave, maternal leave, paternity leave, lost days for occupational or commuting accidents, family events. This represents the number of days of absence divided by the number of days worked.
Number of occupational and commuting accidents	This represents the total number of occupational and commuting accidents resulting in lost days of more than one day. Occupational accidents are any accident occurring suddenly as a consequence of or during the course of work and substantiated by an official document. Accidents occurring in the course of the normal commute of the employee between his or her home and place of work are recorded as “commuting accidents”. Accidents pending acceptance by the social security agency are not included.

Indicator	Specificity
Number of lost time days linked to occupational and commuting accidents	This represents the total number of lost days during the period, pursuant to occupational and commuter accidents of employees.
Frequency rate/Severity rate (number)	With respect to occupational and commuting accidents, detailed statistics are provided below: • Frequency rate: (number of accidents / total number of days worked) *1000000 • Severity rate: (number of lost days / total number of days worked)*1000 Rates for 2017 2016 were updated using the methodology described above for 2018.
Total training hours	Data on training covers all subsidiaries except for Portugal due to the impossibility to verify the data for this country. France: since 2017, contract trainees have been excluded in the figures recorded for training hours. Italy : work-study contracts are included in training hours.
Training expenses (€)	Training expenses are calculated as follows: • France: teaching costs - borne by the FAFIEC educational funding organisation + salaries For internal training programmes, the cost of training materials, certifications and breakfast are added. • Italy: external costs only • Belux: external cost + payroll costs
Number of partnerships with universities or schools	These are relations with higher education institutions that Aubay solicits to: • Participate in a business forum to present its activities to future candidates, • Recruit interns.
Number of areas analysed with an exposure to risk of corruption	This analysis covers all four areas: sales, purchasing, consultants and support functions. This indicator is used to monitor progress in the anti-corruption approach by first analysing the area of the corruption risk. The sales area is the first analysed and purchasing the second. This indicator records the area only if the persons in this area (for example: sales staff), have been at least in part made aware of this issue.
Percentage of strategic areas covered	This percentage measures the ratio of the number of areas analysed as exposed to the risk of corruption, in relation to all areas covered. In the preceding example, if the purchasing and sales areas are considered as such, and those of the support and consulting functions are not, this percentage is 50%. If only the sales area is prone to corruption, the percentages 25%.

III.11. CSR indicators

Human resources information	Human Resources Performance : Group summary (1/2)						
	GRI code	Aubay indicators		2018	2017	2016	2018 comment
	Workforce		**SDG 8**				
	G4-LA1	Total headcount (excluding subcontractors, apprentices and trainees)		5,136	4,946	4,169	Aubay Group
	G4-LA1	Expanded headcount including trainees/apprentices		5,162	4,979	4,188	France
	G4-LA1	Headcount by gender	Women Men	28% 72%	28% 72%	28% 72%	Aubay Group
	G4-LA1	Headcount by gender and age bracket	under 35 35 and older	44% 56%	43% 57%	48% 52%	Aubay Group
	G4-LA1	**Breakdown by region**	France Italy Belux Spain Portugal	42% 27% 3% 17% 10%	42% 27% 4% 19% 8%	47% 20% 5% 21% 7%	Aubay Group Separation of E and P in 2016
Employment	**Turnover**						
	G4-LA1	Number of recruitments	units	1,669	1,814	1,206	Aubay Group
	G4-LA1	Number of voluntary departures and dismissals	units	1,431	1,218	1,083	Aubay Group
	G4-LA1	- o.w. dismissals	units	83	161	140	Aubay Group
	G4-LA1	Net job creation	units	238	596	127	Aubay Group
	Net change in compensation						
	G4-EC1	Total gross payroll	€	222,231,645 €	188,775,772 €	174,763,467 €	Aubay Group
	G4-EC1	Total average headcount	units	5,006	4,423	4,203	Aubay Group
	G4-EC1	Theoretical average annual salary	€	44,397 €	42,685 €	41,754 €	Aubay Group

Human resources information	Human Resources Performance : Group summary (2/2)						
	GRI code	Aubay indicators		2018	2017	2016	2018 comment
	Working time organisation						
Working time organisation	G4-LA1	% of full-time workers	%	96%	96%	95%	Aubay Group
	G4-LA1	% of part-time workers	%	4%	4%	5%	Aubay Group
	Social dialogue		**SDG 8**				
Industrial relations	G4-LA4	Number of Health, Safety and Working Conditions Committee/Works Council/Employee Delegate meetings	units	95	111	100	Aubay Group excl. Portugal
	G4-HR1	Number of collective agreements signed in the period	units	7	11	8	F + E + I
	G4-LA5	Number of employees covered by a collective agreement	%	90%	92%	84%	Aubay Group
	Work and safety conditions		**SDG 3**				
Health and safety management	G4-LA6	Average absenteeism rate	%	3.73%	3.92%	3.87%	Aubay Group
	G4-LA6	Number of occupational and commuting accidents	units	46	49	42	Aubay Group
	G4-LA6	Number of lost time days resulting from occupational and commuting accidents	days	1202	1018	1,499	Aubay Group
	G4-LA6	Frequency rate	Note:	4.78	5.77	5.91	Aubay Group
	G4-LA6	Severity rate	Note:	0.12	0.12	0.21	Aubay Group
Training and	**Training**		**SDG 4**				

education	G4-LA9	Training expenditures as % payroll.	%	0.82%	0.79%	0.66%	Aubay Group excl. Portugal
	G4-LA9	Training expenditures per year	€	1,703,460 €	1,408,672 €	1,151,952 €	Aubay Group excl. Portugal
	G4-LA9	Total training hours	hours	100,153	101,299	99,193	Aubay Group excl. Portugal

	Social Performance : Group summary (1/3)						
	GRI code	**Aubay indicators**		**2018**	**2017**	**2016**	**2018 comment**
Sponsorship	**Patronage**		**SDG 3**				
	G4-EC1	Sponsorship budget	€	108,876 €	65,472 €	57,100 €	Aubay Group
Partners and communities	**Number of partnerships signed with higher education institutions**			**SDG 4 and 17**			
	G4-SO1	Number of interns from higher education institutions	units	154	167	187	Aubay Group
	G4-SO1	Number of partnerships signed with higher education institutions	units	26	14	20	Aubay Group excl. Belux
	G4-SO1	Number of commitments with NGOs (Global Compact, ...)	units	5	7	8	F + E + I
Combating corruption	**Combating corruption**		**SDG 16**				
	G4-SO3	Number of areas analysed as exposed to the risk of corruption	units	3	1	3	Aubay Group
	G4-SO3	% of strategic areas covered	%	94%	17%	27%	F + E
	G4-SO4	% personnel of at-risk areas educated about corruption	%	72%	37%	77%	F + E

	Social Performance : Group summary (2/3)						
	GRI code	Aubay indicators		2018	2017	2016	2018 comment
	Regulatory compliance						
	G4-PR9	Legal and regulatory watch committee	units	0	3	5	F + E
	Employment (suppliers and subcontractors)			**SDG 16**			
Regulatory compliance and employment	G4-EC9	Total subcontractors (all categories combined)	Units	732	685	634	Aubay Group
	G4-EC9	% of company subcontractors (partners and non-partners)	%	66%	63%	62%	Aubay Group
	G4-EC9	% of independent subcontractors (freelancers)	%	34%	33%	38%	Aubay Group
	G4-EC9	Volume in € of subcontracting contracts	Euros	59,222,398 €	47,023,956 €	43,287,900 €	Aubay Group
	G4-EC9	% of company subcontractor contracts (partners and non-partners) in €	%	75%	67%	43%	Aubay Group
	G4-EC9	% of independent subcontractors (freelancers) in €	%	25%	33%	24%	Aubay Group
	G4-EC9	% of subcontractors having signed the charter/questionnaire	%	26%	24%	9%	F + I
	G4-EC8	Number of accounts opened by the contribution of relevant subcontracting resources	Units	5	8	2	F + P
	G4-EC9	Average subcontractor settlement periods	Days	48	53	27	Aubay Group
	G4-LA14	% of suppliers subject to an HR audit	%	100%	100%	100%	F + E + B
	Non-discrimination		**SDG 10**				
	G4-HR13	Number of nationalities represented among employees	units	73	57	16	Aubay Group
	G4-LA12	% of women in management level positions	%	29%	29%	28%	Aubay Group

	Social Performance : Group summary (3/3)					
	GRI code	Aubay indicators	2018	2017	2016	2018 comment

Labour negotiations	**Collective bargaining**	**SDG 8**					
	G4-HR4	Number of meetings with union delegates	units	66	51	35	Aubay Group excl. Portugal
Risks of forced labour	**Risks of forced labour**	**SDG 8**					
	G4-HR6	Number of individual coaching sessions	units	534	503	470	France
	G4-HR6	Number of medical visits	units	6	10	19	France
	G4-HR6	Number of Health, Safety and Working Conditions Committee alerts	units	0	0	0	France
	G4-HR6	Number of psychosocial risk committee meetings	units	1	2	4	France F + I (2016)
	G4-HR6	Number of persons trained in psychosocial risks	units	1	0	39	France (Aubay Group excl. Portugal in 2016)
Security practices	**Security practices**	**SDG 3**					
	G4-PR8	Rate of signature of the employee charter on computer and Internet use	%	90%	92%	100%	Aubay Group
	G4-HR7	Number of persons in charge of workplace security and the evacuation of employees	units	115	99	75	Aubay Group
	G4-HR7	Number of persons with training in workplace security and the evacuation of employees	units	96	79	60	Aubay Group

	Environmental Performance : Group summary (1/2)						
Area	**GRI code**	**Aubay indicators**		**2018**	**2017**	**2016**	**2018 comment**
Natural resources consumption	**Consumption of natural resources**	**SDGs 12-15**					
	G4-EN1	Paper consumption	No. A4 sheets per person	291	318	223	Aubay Group
	G4-EN3	Energy consumption	kWh/m²	80	97	97	Aubay Group
	G4-EN8	Total water consumption	m^3/m^2	0.41	0.40	0.27	Aubay Group excl. Spain
CO_2 emissions	**CO2 / GHG emissions**	**SDG 15**					
	G4-EN16	CO_2 emissions: consumption by site	Mt CO_2e.	256	259	224	Aubay Group
	G4-EN16	CO_2 emissions: professional travel (scope 2)	Mt CO_2e.	1,009	4188	2,516	Aubay Group
	G4-EN16	CO_2 emissions: home-to-work commuting (scope 3)	Mt CO_2e.	4,298			Aubay Group excl. Portugal
	G4-EN16	CO_2emissions: in relation to number of employees	CO_2/ employee	1.08	0.90	0.66	Aubay Group
Waste management	**Waste management**	**SDG 12**					
	G4-EN23	Volume of computer equipment recycled	Tonne	3.07	1.92	1.84	F + E
	G4-EN23	% of sites covered by waste separation	%	93%	87%	99%	Aubay Group
Employee	**Professional travel**	**SDG 13**					

travel	G4-EN4	Number of km travelled by car: home-work commutes and professional travel per employee/year	km/person	2,720	3,415	3,150	Aubay Group excl. Portugal: home-to-work commuting
	EG4-EN4	Number of km travel by plane for professional travel per employee/year	km/person	127	165	155	Aubay Group excl. Portugal
	G4-EN4	Number of km travel by train for professional travel per employee/year	km/person	564	581	539	Aubay Group
	G4-EN4	% distance travelled by public transport for home-work commutes	%	79%	62%	75%	Aubay Group
	G4-EN4	% of employees using public transport home-work commutes	%	50%	74%	71%	Aubay Group

Area	**Environmental Performance : Group summary (2/2)**						
	GRI code	**Aubay indicators**		**2018**	**2017**	**2016**	**2018 comment**
	Certification and external evaluations		**SDG 17**				
Certification	G4-DMAc	Ecovadis rating	Note	76/100	71/100	71/100	France
	G4-DMAc	GAIA rating	Note	80/100	81/100	83/100	France
	G4-DMAc	Number of certifications	Number:	12	13	10	Aubay Group excl. Portugal
	Investments and returns		**SDG 13**				
Investments	G4-EN6	Amounts of investments for videoconferencing	€	7441	7187	0	Italy
	G4-EN19	Reduction in the number of plane tickets from videoconferencing	Savings on round-trip travel	106	100	96	France (F + E in 2016)

ss data		No. Employees	Employee	5136	Aubay Group
		No. A4 sheets	A4 sheet	1,494,000	Aubay Group
		Electricity consumption	kWh	1,481,016	Aubay Group
		Water consumption	m^3	7,610	Aubay Group excl. Spain
		Area (sqm)	m^2	18,407	Aubay Group
		km / professional travel by car	Km	2,963,151	Aubay Group
		km / plane travel	Km	652,806	Aubay Group excl. Portugal
		km / train travel	Km	2,895,753	Aubay Group excl. Portugal
		Total km	Km	27,261,383	Aubay Group
		km / home-to-work commuting	Km	11,004,447	Aubay Group excl. Portugal