

**Reference
Document
2017**

SQLI

This reference document was submitted to the Financial Markets Authority on 26 April 2018, pursuant to article 212-13 of the FMA General Rules and Regulations. It may be used in support of a financial transaction only if it is supplemented by an operation note approved by the Financial Markets Authority. The document has been signed by the issuer and commits the signatories.

The reference document also serves as the company annual financial report (AFR). A table of concordance including the information requested by this document is enclosed in Appendix 2 *"Table of concordance with the annual financial report"*.

Copies of the present reference document can be found free of charge:

- at SQLI headquarters;
- on SQLI website (www.sqli.com);
- on the French FMA website (www.amf-france.org).

Pursuant to article 28 of the EU Regulation CE N°809/2004 of the European Commission, the following information is included in this reference document:

- The consolidated accounts and related reports of the statutory auditors for years ending on 31 December 2015 and 31 December 2016, both included pages 165 to 194 and 198 to 199 of the Reference Document submitted to the FMA under number D.16-0420 on 27 April 2016 and pages 159 to 189 and 193 to 194 of the Reference Document submitted to the FMA under number D.17-0449 on 27 April 2017;
- The annual accounts and related reports of the statutory auditors for years ending on 31 December 2015 and 31 December 2016, both included pages 137 to 164 and 195 to 197 of the Reference Document submitted to the FMA under number D.16-0420 on 27 April 2016 and pages 135 to 158 and 190 to 192 of the Reference Document submitted to the FMA under number D.17-0449 on 27 April 2017;

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Chapitre 1. PERSON IN CHARGE

DESIGNATION OF THE PERSON IN CHARGE

Monsieur Didier FAUQUE, Chief Executive Officer, is the person in charge of the Reference Document.

Monsieur Didier FAUQUE, Chief Executive Officer

SQLI – 166, rue Jules Guesde – 92300 Levallois-Perret

DECLARATION OF THE PERSON IN CHARGE

After having taken all reasonable measure to this end, I attest that the pieces of information presented in this reference document fairly reflect the current situation and I certify that no information likely to have a material impact on the interpretation of this document has been omitted.

I attest that, to my knowledge, the accounts are drawn up in compliance with the applicable accountancy standards and reflect faithfully the capital, the financial situation and the result of the company and its consolidated firms. All information included in the management report, whose table of concordance is included in Appendix 2 of this report, "*Table of concordance with the annual financial report*", contains a table showing the evolution of the activities, the results and the financial situation for both the company and its consolidated firms, as well as a description of the main risks and uncertainties they have to face.

The statutory auditors gave me a notice of completion of work that guarantees both the audit of the financial situation and the accounts presented in this reference document, and the reading of this very document.

Levallois-Perret, 26 April 2018

Didier FAUQUE

Chief Executive Officer



Chapitre 2. STATUTORY AUDITORS

DESIGNATION OF THE STATUTORY AUDITORS

2.0.1. INCUMBENT STATUTORY AUDITORS

ERNST & YOUNG and others

1-2, place des Saisons - Paris, La Défense 1
92400 Courbevoie

Represented by Jean-Christophe PERNET

First mandate: Appointed during the
Shareholders meeting held on 20 June 2012

Mandate expiry date: Date of the
Shareholders' Meeting called to assess the
financial statements for the financial year
ending 31 December 2017.

The firm is member of the Compagnie
Régionale des Commissaires aux Comptes de
Versailles.

Exco Paris Ace

5, avenue Franklin Roosevelt
75008 Paris

Represented by Alain Auvray

First mandate: 26 June 2013

Mandate expiry date: Date of the
Shareholders' Meeting called to assess the
financial statements for the financial year
ending 31 December 2018.

The firm is member of the Compagnie
Régionale des Commissaires aux Comptes de
Paris.

2.0.2. AUXILIARY STATUTORY AUDITORS

Auditex

1-2, place des Saisons - Paris, La Défense 1
92400 Courbevoie

First mandate: Appointed during the
Shareholders meeting held on 20 June 2012

Mandate expiry date: Date of the
Shareholders' Meeting called to assess the
financial statements for the financial year
ending 31 December 2017.

The firm is member of the Compagnie
Régionale des Commissaires aux Comptes de
Versailles.

François Fouad Shoukry

5, avenue Franklin Roosevelt
75008 Paris

First mandate: 26 June 2013

Mandate expiry date: Date of the
Shareholders' Meeting called to assess the
financial statements for the financial year
ending 31 December 2018.

The firm is a member of the Compagnie
Régionale des Commissaires aux Comptes de
Paris.



STATUTORY AUDITORS RESIGNATION, DISMISSAL OR NON-REAPPOINTMENT

The company did not register any resignation, dismissal or removal of a statutory auditor in 2015, 2016 and 2017.

The General Assembly held on 20 June 2012 appointed:

- ERNST & YOUNG ET AUTRES in replacement of CONSTANTIN & ASSOCIES, whose mandate of incumbent statutory auditor came to an end during this General Assembly.
- AUDITEX, in replacement of François-Xavier AMEYE, whose mandate of auxiliary statutory auditor came to an end during this General Assembly.

The General Assembly held on 20 June 2013 appointed:

- Exco Paris Ace, in replacement of LA FIDUCIAIRE DE LA TOUR, whose mandate of auxiliary statutory auditor came to an end during this General Assembly.
- François Fouad SHOUKRY, in replacement of Dominique BEYER, whose mandate of auxiliary statutory auditor came to an end during this General Assembly.



FEES OF STATUTORY AUDITORS AND THEIR NETWORK MEMBERS

The chart presenting the statutory auditors services included in the result account and accounting for the last two financial years ended 31 December 2017 and 31 December 2016, is presented below:

Table 1. Fees of statutory auditors and their network members

(Data in thousands of euros)	2017				2016			
	Exco Paris Ace		EY		Exco Paris Ace		EY	
	Amount in k€	%	Amount in k€	%	Amount in €	%	Amount in €	%
Auditing	82	100%	387	100%	78	100 %	183	100%
Including Statutory Auditors, certification, assessment of individual accounts	82	100%	245	62 %	78	100%	183	100%
Issuer	71	86%	130	51 %	63	81 %	108	59 %
Fiscally integrated subsidiaries	11	14 %	115	49 %	15	19 %	76	41 %
Inc. Other diligences and services directly related to the auditors mission	0	0 %	142	38 %	0	0 %	0	0 %
Other services performed by the networks for globally integrated subsidiaries	0	0 %	0	0 %	0	0 %	0	0 %



Chapitre 3. SELECTED FINANCIAL DATA

FINANCIAL INFORMATION IN BRIEF

SQLI turnover for year ended 31 December 2017 amounted to 211,960 K€ against 190,909 K€ in 2016 (+11.0 %).

SQLI had a very strong growth on strategic segments: omnichannel e-commerce (+75 %), mobility (+11 %), web solutions (+24%), with a selective management of technical assistance in order to prioritize margins against volumes, like in 2016. The growth is due to a strong development (more than 35%) of e-commerce platforms-related services, marketing and digital communication. These strategic activities also benefited from an increase of major projects (each of them employing 50 engineers) and allowed to gain new prestigious clients like Arcelor, Generali and Michelin.

The organic growth is 4.9% (exc. perimeter and exchange rate variations).

The current operating result decline (10,879 K€ against 13,973 K€) is due to a bad operating

performance in France, mainly in Paris, and to the overinvestment needed for the implementation of the strategy plan. These factors led to a high turnover rate (21%) and affected the employment rate (down by 1.5% to 85%). A short-term action plan has been implemented, helping to improve operational figures between the 1st and the 2^d half of 2017.

The current operating result increased from 4.6 M€ in the first half (4.5% of the turnover) to 6.3 M€ in the 2d half (5.8% of the turnover).

The 4,468 K€ operating result includes non current operating charges of 6,411 K€, mainly due to the reunification of the Parisian sites (1,109 K€) and the acquisition costs (1,460 K€). The net profit amounts to 1,974 K€, after deduction of financial debt (1,373 K€) and tax liability (1,181 K€).

Table 2. Summary of the Income statement

Data in thousands of euros

	2017	2016	2015
Turnover	211,960	190,909	178,981
Current Operating result	10,879	13,973	10,843
Operating result	4,468	10,749	6,720
Net result	1,974	6,212	3,555

For more information, see Chapter 9. "Analysis of financial situation and result"



At 31 December 2017, net non-current assets amounted to 108,823 K€ vs. 74,412 K€ in the last year, an increase of 34,411 K€, mainly consisting in goodwill related to the acquisition of STAR REPUBLIC and OSUDIO during the year.

At 31 December 2017, current assets amounted to 126,107 K€ vs. 93,418 K€ in the last year, an increase of 32,689 K€, mainly due to the increase of available cash flow and other receivables (see note 6 of the consolidated accounts for more details).

At 31 December 2017, the own equity remain stable: 78,539 K€ against 78,752 K€ at 31 December 2016.

Non-current liabilities increased to 62,056 K€ against 11,396 K€ in 2016, a consequence of the increase of financial debt for the funding of acquisitions and an increase of "Other non-current liabilities" related to earn-outs and stock options.

Current liabilities grew by 16,653 K€ (94,335 K€ vs 77,682 K€ in 2016). The main variations are related to:

- short-term financial debts, which decreased by 4,580 K€;
- suppliers debt (+4,915 K€);
- other debts (+16,674 K€).

Table 3. Summarized balance sheet

Data in thousands of euros

	2017	2016	2015
Other non current assets	108,823	74,412	67,053
Goodwill	86,054	53,318	51,125
Current assets	126,107	93,418	97,177
Customer receivables and related accounts	59,610	56,132	53,124
Cash flow and cash flow equivalents	19,276	9,573	18,199
Own Equity (group share)	78,539	78,752	72,641
Other non current liabilities	62,056	11,396	12,131
Inc. Long term financial debt	42,276	7,705	7,263
Current liabilities	94,335	77,682	79,458
Inc. Other payables	68,291	51,617	55,308
Inc. Debts with suppliers and related accounts	21,829	16,914	16,723
Inc. Short term financial debt	2,560	7,140	7,263

For more information, see Chapter 10. *"Cash and equity"*



FINANCIAL INFORMATION ON INTERMEDIARY PERIODS

The current reference document doesn't include any financial information on intermediary periods.

SQLI SHARE

SQLI shares are quoted in Euronext Paris (Category C) with the code ISIN FRO004045540. The data below comes

from Infineals and NYSE Euronext databases.

3.2.1. MAIN STATISTICAL FIGURES

Following three capital increases described in paragraph 21.1.7 "*Evolution of share capital during the year*", the share capital went from 3,856,923 shares at 31 December 2016 to 3,959,538 shares at 31 December 2017.

The total number of exchanged securities in 2017 amounts to 2,059,872 (52 % of the total number of shares compared with 33 % in 2016). The amount of transactions reaches

84.5 M€ vs. 41.6 M€ in 2016. In 2017, the average monthly number of exchanged securities amounts to 171,656 and the average monthly volume of transactions to 7.0 M€.

The market capitalization reaches 140.0 M€ at 31 December 2017, compared with 160.8 M€ at 31 December 2016.

The average cost of transactions amounted to 41.83 € in 2017 vs. 33.10 € in 2016.

3.2.2. PRICE TRENDS

The variation of SQLI share price was not as good as in 2016, with a 15.4% fall in 2017.

- January 2, 2017 : 41.80 € (opening market price);

- Décembre 29, 2017: 35.37 € (opening market price)

In 2017, SQLI share price underperformed the CAC SMALL index, which grew by 20,7%.

Table 4. Evolution of SQLI trend compared with CAC Small

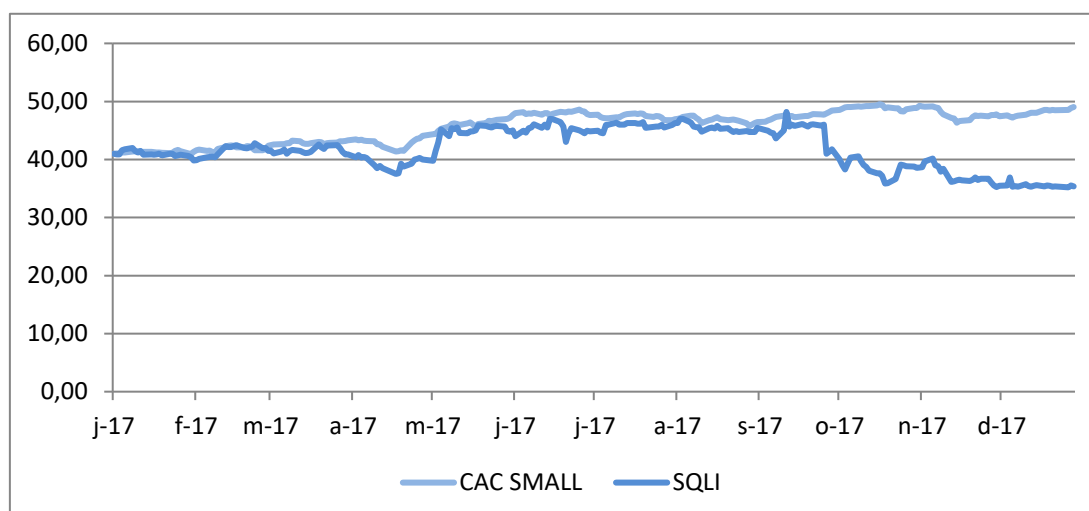


Table 5. SQLI – Stock price trend

Month	2017			2016		
	Max.	Min.	Monthly volume	Max.	Min.	Monthly volume
January	42.40	39.60	160,581	29.24	26.00	125,077
February	42.95	38.85	127,382	30.79	28.10	109,949
March	42.60	40.01	138,817	31.90	29.58	173,767
April	41.09	36.66	130,762	30.90	29.67	63,431
May	45.90	39.51	169,096	34.80	30.12	148,500
June	47.30	41.97	172,277	34.78	28.88	162,618
July	46.58	44.51	100,345	35.00	31.50	65,073
August	47.15	44.45	91,774	34.70	31.00	53,780
September	48.19	40.51	258,839	38.75	32.88	115,799
October	41.49	35.50	338,346	38.40	33.51	109,278
November	40.17	33.92	210,870	36.45	34.42	40,708
December	37.25	34.50	160,783	42.00	35.62	95,504
Full year	48.19	33.92	1,899,291	42.00	26.00	1,263,484



ACTIVITY-RELATED RISKS

4.0.1. CUSTOMERS-RELATED RISKS

While expanding its activity, SQLI tries carefully to keep both diversified customers and diversified business fields, in order to limit the concentration risk on a restricted number of customers.

In 2017, the importance of main SQLI customers was as follows:

- The first customer accounted for 7.7% of the consolidated turnover (against 8.1% en 2016);
- The first five customers accounted for 28.1% of the consolidated turnover (against 27.4% en 2016);
- The first ten customers accounted for 40.2% of the consolidated turnover (against 38.8% en 2016);

The company works with a factoring company which provides credit insurance, customers credit quality study, follow-up services and legal conflicts assistance for the main part of SQLI business in France. Furthermore, since the group works only for major accounts, the insolvency risk is limited.

Finally, the credit management and collection procedures that have been set allow the company to control the customer risk (advance check of the prospects solvency, monitoring outstanding invoices, follow-up on customer payment periods, customer reminders and legal proceedings).

SQLI offers package projects as part of its activity. This kind of contract implies certain risks. SQLI implemented internal processes in order to limit these risks (1. Risk review before submitting the offer. 2. Creation of reserves included in the provisional costs in order to limit the identified risks, 3. Regular review of over budget expenses and 4. intervention, if required, of a internal committee in charge of project control. This process has been created 3 years ago and helps to limit the risks related to the execution of package projects.

SQLI also subscribed a "Professional risks" insurance policy covering its liability for a total amount of 10 million euros.

4.0.2. RECRUITMENT-RELATED RISKS

The human resources needs are very tight within the digital environment (consulting, marketing and technology). In this high added-value sector, there is a big demand for qualified and specialized labor. SQLI ability to grow and to satisfy its customers' needs in the next years depends on its power in recruiting, attracting and keeping the competent persons in this very specialized field.

SQLI has to face the scarcity of available workers and the recruitment of its best candidates by its competitors and its own customers. 2017 showed a significant increase of the staff turnover rate (21.5% in France) due

to the "war for talent" within the sector and the boom of freelancing (millennials).

Furthermore, in order to keep its best employees, SQLI could have to grant some pay raises that the company won't be able to compensate immediately with a tariff raise. The group activity could then experience a deterioration, along with its results.

At last, the employment laws are very strict in France, which has an influence on the groups flexibility and its ability to adapt to a possible fall of the demand on the market. The company doesn't think it can keep a satisfying



employment rate because of the economic context and the lack of flexibility of employment. If the group's activity starts to decrease, there will then be a risk of fall in the company's net result.

In order to limit the risks related to recruitment and retention of human resources, the Group implemented a series of measures to attract employees in this very tight market, enhanced by the Group transformation plan (Move up 2020 plan).

SQLI headquarters have been relocated to Levallois-Perret in February 2008. All the Ile-de-France teams are reunited in these premises which constitute a unique and

inclusive site which mirrors the Group ambition and talent.

SQLI proved again in 2017 its ability to attract new employees, with 615 recruitments (+6.4% than in 2016). 228 new partners were integrated in the workforce as part of company acquisitions.

SQLI aims to become a reference in the sector and be on the list of best places to work, by offering a great working experience to its workforce in order to decrease the staff turnover rate to 15% by 2020.

4.0.3. KEY PERSONS-RELATED RISKS

SQLI ability to grow depends on its power in recruiting, attracting and keeping the most talented people.

The direction also thinks that the risk of having key persons leaving is still limited because SQLI Group is organized into profit centers governed by managers, who enjoy a relative freedom to supervise their organization. These responsibility and freedom for operations mean that managers are heavily involved in the running of the company, creating synergies

between various profit centres (commercial synergies and skills....).

This organization favors long term managerial commitment and a network organization, by relying on other members of the Group to create a real team spirit. The group management checks that managers pay attention to detecting talented employees and to their career progress, so as to have potential managers available.



Table 6. Staff turnover rate per age group

Age group	2017	2016	2015
20 - 24 y.o.	21.57 %	11.85 %	10.53 %
25 - 29 y.o.	31.24 %	27.11 %	30.86 %
30 - 34 y.o.	42.26 %	27.01 %	27.62 %
35 - 39 y.o.	32.09 %	29.59 %	19.82 %
40 - 44 y.o.	32.60 %	25.99 %	22.33 %
45 - 49 y.o.	34.95 %	23.20 %	20.86 %
50 - 54 y.o.	10.62 %	19.05 %	17.86 %
55 - 59 y.o.	2.00 %	2.00 %	2.00 %
60 - 64 y.o.	1.00 %	1.00 %	1.00 %
65 y.o. and more	0.00 %	0.00 %	0.00 %

The above turnover rates present the ratio between all kind of departure during 2017 and the staff at 31 December 2016.

2017 showed a significant increase of the staff turnover rate. The Group implemented a series of measures to attract employees in this very tight market, enhanced by the Group transformation plan (Move up 2020 plan).

4.0.4. TECHNOLOGY-RELATED RISKS

SQLI Group operates in an environment where technology change is particularly fast moving. There is a real existing risk of major technological evolution, which could have a significant impact in SQLI results and plans.

Ever since its creation, the group has focused on helping its customers to take benefit from this technology. SQLI group has always been a precursor when it comes to adaptation and integration of new technologies.

Although SQLI group can't guarantee that it will always be able to quickly identify and build up knowledge for every change in technology, this skill is part of the company culture and constitutes one of its strong points.

Strikingly, the group keeps on giving a big budget to R&D of new technologies every year.

The company does not tie up its R&D costs and records it as charges. They consist in staff costs of researchers and functioning costs. These costs amount to about 4.0 % of 2017 global turnover.

In order to cover this risk, SQLI chose to build close partnerships (gold or premium Partner) with the main digital solutions providers such as Adobe, Sap Hybris, Microsoft, Magento, IBM, Salesforce, etc.

Further information about SQLI innovative skills is presented in Chapter 11. *"Research and Development, patents and licenses"*.



4.0.5. EXTERNAL GROWTH POLICY-RELATED RISKS

This growth strategy includes the following risks: integration problems, departure of key men and partners, customer loss, occurrence or discovery of conflicts, spreads on expected results. Even if these risks are hardly

measurable, SQLI thinks that the risk of goodwill depreciation will exist (amounting to 86 M € at the end of 2017) if the profitability does not reach the expected amount.

Integration issues

It is considered as the major risk by the company's managers all the more since the group tends to favor a strong degree of integration of acquired companies, in order to boost the development of commercial, technical and administrative synergies. For each future acquisition the company's head managers carefully assess the risk factors of an integration failure in order to complete the operations without guaranteeing the success of the integration.

In order to cover this risk, the Group carries out operating due diligences allowing to fully understand integration challenges and implements an integration plan for each one of its target. Since the boom of its international growth strategy, SQLI decided to appoint an Integration manager in charge of connecting the newly-acquired companies to SQLI organisation, to implement the integration plan and upgrade the connections planned at the time of the acquisition.

Key men departure

When the acquired companies' managers or shareholders are considered as essential in the cooperation success, there are asked by SQLI to commit themselves to remaining in the group for at least two to four years after the acquisition. However, this commitment is not

considered as essential when the primary goal of these managers is to reach the objectives set regarding the earn-outs. If SQLI is covered by the commitments subscribed, the company does not have any legal resort to secure the employees' services.

Partners departure

Since SQLI is a services firm, its partners represent its real potential manpower. The integration of new partners in the group is thus carefully followed, and the harmonization of working conditions is generally favorably considered.

The change of working places can also create difficulties. However as most partners work in the customer offices, the headquarters transfer does not modify their main workplace.

The announcement of pooling the interests of the companies can lead to a period of uncertainty for some partners.

In order to cover this risk, SQLI tries to focus on companies sharing its values and objectives, especially its innovative view of Digital market, expertise in connected experience and focus on major accounts.



Customer loss

SQLI group, the acquired companies and the targeted companies mostly work for major accounts. For a few years these customers have carried out an active referencing policy aiming to reduce the number of service providers. These acquisitions have thus been positively

considered both by the customers of SQLI and by those of recently acquired companies, as they take part in the sector consolidation wanted by the major accounts. Today, SQLI does not register any loss of major customers related to recent acquisitions.

Emergence or detection of conflicts

Even if the group carries out judicial, tax, accounting and operating due diligences on external growth transactions in order to finalize definitive agreements, an uncertainty still remains about the existence of conflicts that would not have been mentioned or

translated in the accounts. In order to cover this risk, the agreements relating to the acquisitions provide consequently the conventional assets and liabilities guarantees as well as the mode of paying them if they are invoked.



4.0.6. SUPPLIERS-RELATED RISKS

SQLI doesn't have any significant supplier. The company is not dependent on any supplier regarding the costs or resources. SQLI can easily change supplier if needed, and find similar products for a similar price.

The dependence upon suppliers is as follows:

- The first supplier accounts for 4.2 % in SQLI purchases.
- The first 5 suppliers account for 13.0 % in SQLI purchases,
- The first 10 suppliers account for 19.7 % in SQLI purchases,

The turnover share for activities with subcontractors accounts for 23% (against 17.3% in 2016) due to the increase of freelance jobs and the integration of expert profiles.

Specific contracts are signed with each subcontractor, in to protect SQLI from the related risks.

Following articles L.441-6-1 and D.441-4 of the Commercial Code, we inform you that the balance of trade accounts payable to SQLI SA suppliers by due date at the end of year 2017 is presented below:

Table 7. Balance of trade accounts payable to SQLI SA suppliers by due date at the end of year 2016 (non consolidated)

<i>Data thousands euros</i>	<i>in of</i>	Total	Accrued	Non accrued	0 to 15 years	16 to 30 years	31 to 45 years	46 to 60 years	Except deadline
Suppliers		12,476	3,700	8,776	3,872	2,301	1,335	1,268	
Fixed assets		3		3			3		
Total to be paid		12,479	3,700	8,779	3,872	2,301	1,338	1,268	0
Unbilled invoices		4,214		4,214					4,214
Group suppliers		9,294	6,976	2,318			448		2,318
Total		25,987	10,676	15,311	3,872	2,301	1,338	1,268	6,532



4.0.7. COMPETITION-RELATED RISKS

Considering the competition increase, SQLI intends to strengthen its competitive position by industrializing its business approach (Agile approach) and focusing on high value added projects, such as E-Commerce, mobility or User Experience Design (UX Design). Its European expansion allows SQLI to trade with major international brands.

As explained in paragraph 6.4. « The company competitive environment », SQLI competes with three major sectors which concentrate their activities on Digital development :

- Communication companies ;
- Consulting companies ;
- Technology companies (SQLI historical competitors).

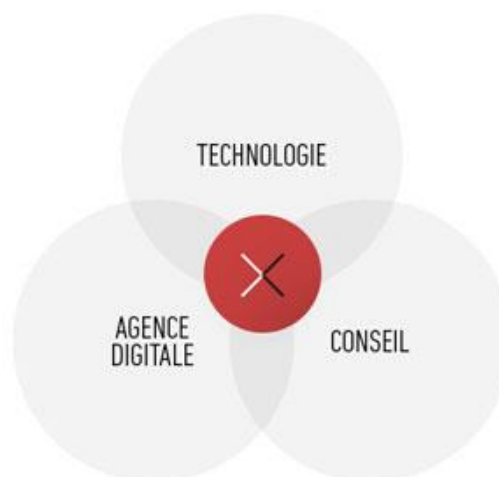
Within these sectors, the leading groups are a lot bigger than SQLI and can rely on their international network.

En 2017, some financial analysts mentioned the potential acquisition of one of the first five communication groups (WPP, Omnicom, Publicis, Interpublic, Dentsu) by Accenture. Competitors such as Cap Gemini were afraid of a higher pressure on the market relating to

FINANCIAL RISKS

the concentration of the leaders in these three sectors.¹

M&A operations such as this one could



reorganise the market and lead to weaker results for SQLI.

Nevertheless, SQLI has other significant competitive advantages which are described in paragraph 6.4. « The company competitive environment », allowing to limit the impact of a potential concentration of the market.

4.1.1. LIQUIDITY RISKS – FINANCING OF THE WORKING CAPITAL REQUIREMENT

At 31 December 2017, The Group gross cash position amounts to 19,276 K€ (for a net debt of 25,560 K€).

The Group financial structure is very healthy at 31 December 2017 with:

- a factoring capacity with an available credit line of 23,900 K€;
- authorized overdraft lines of 3,0 M€.

Table 8. SQLI net financial debt during the last two years

(Data in thousands of euros)

	2017	2016	Variation
Total of gross financial debt	44,836	14,845	29,991
Cash flow and equivalents	-19,276	-9,573	-9,703

¹ "The CEO of Cap Gemini expects to be under pressure if Accenture buys Publicis to digitalize its

consulting business" Thomas Giraudet – Reuters + Business Insider

Total of net financial debt	25,560	5,272	20,288

The group debt structure is detailed in paragraph 10.3.1. "*Consolidated debt*"

Covenants, early redemption and default clauses related to SQLI loans are presented in paragraph 10.3.4. "*Possible restrictions on the use of capital*".

Working capital requirement and credit access capacity

The invoicing is submitted to seasonal fluctuation according to the number of working days in the month, and to year fluctuation in December related to the customers annual budgets closure.

Costs register a peak on the first day of every half-year term related to pension and insurance periodic rents and costs.

The Working capital requirement reaches 292 K€ in 2017 vs. -14,559 K€ in 2016.

- The extended Customers item, including pending invoices, prepaid income and provisions in the factor increased by -3,902 K€;
- The suppliers item has a positive variation of 2,332 K€;
- The "Variation of other current assets and liabilities" has a positive variation and amounts to +4 418 K€;
- Tax payments remain stable and amount to 2,556 K€.



Table 9. Evolution of the operating working capital (excl. scope variations)

<i>Data in thousands of euros</i>	Data 2017	Data 2016
Variation of customers	-3,902	-3,641
Variation of suppliers	2,332	148
Variation of other current assets and liabilities	4,418	-7,523
(paid) reimbursed Corporate Tax	-2,556	-2,702
Variation of working capital requirement	292	-14,559

The Group financial structure is very healthy at 31 December 2017 with:

- a factoring capacity with an available credit line of 23,900 K€;
- authorized overdraft lines of 3,0 M€.

After examination of liquidity risks, the Company considers itself as being able to meet future deadlines.

4.1.2. RATES-RELATED RISKS

In 2017, the variation of instruments fair value generated a charge of 75 K€ (2016: 40 K€).

The conditions of derivative instruments related to the rate risk control at 31 December 2017 are exposed as follows :

Table 10. Hedging instruments

Bank loan of 33 M€			
Starting date	30/06/2017	30/06/2017	20/12/2017
Floating rates payer	BNP	BNP	PALATINE
Floating rate	12 months EURIBOR	3 months EURIBOR	3 months EURIBOR
SQLI Fixed / floating rate	0.68 %	0.44 %	0.32 %
Notional amounts covered at 31 December:			
2017	8,000	12,000	13,000
2018	8,000	10,200	11,050
2019	8,000	8,400	9,100
2020	8,000	6,600	7,150
2021	8,000	4,800	5,200
2022	8,000	3,000	3,250
2023	8,000	-	-
2024	-	-	-
Instrument's fair value at 31/12/2017	-48	-52	-12



The table below describes SQLI Group exposure at 31 December 2017.

Table 11. SQLI Group exposure to the rate risk

(Data in thousands of euros)

	Financial assets		Financial liabilities		Net exposure before hedging		Rate hedging instruments		Net exposure after hedging	
	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate
< 1 year		19,276	1,529	877	1,529	-18,399		3,750	1,529	-22,149
From 1 year to 2 years			2,379	4,307	2,379	4,307		3,750	2,379	557
From 2 to 3 years			2,331	4,327	2,331	4,327		3,750	2,331	577
From 3 to 4 years			2,287	4,346	2,287	4,346		3,750	2,287	596
From 4 to 5 years			1,757	4,367	1,757	4,367		3,750	1,757	617
> 5 years			2,114	14,215	2,114	14,215		14,250	2,114	-35
Total		19,276	12,397	32,439	12,397	13,163		33,000	12,397	-19,837

Table 12. Analysis of the impact of interest rates variation

(Data in thousands of euros)

	Impact in result bef. taxes in 2017
Impact of 1% interest rates variation	+198
Impact of <1% interest rates variation	-198

As presented above, the company is totally protected from any floating rate related risk for all the loans contracted with floating rates.

Considering the net exposure to fluctuations of variable rates at 31 December 2017, a 1 p. increase in applicable interest rates would generate a 198 K€ increase of the result in 2018.

The cash flow amounts to 19,276 K€ on 31 December 2017.

The group cash investments, which mainly consist in interest-bearing current accounts, are exposed to the risk of floating rates decrease. Considering the amounts involved (19,837 K€ at 31 December 2017), a 1% fall of the rates of return would lead to a decrease in financial revenues expectations of about 198 K€.

The group debt structure is detailed in paragraph 10.3.1. "Consolidated debt"



4.1.3. EXCHANGE RISKS

The group bears an exchange rate risk in connection with the activities in the United Kingdom, Sweden, Switzerland, Morocco and South Africa, representing a total turnover out of the euro zone of 41.8 M€ in 2017 for 212 M € of consolidated accounts (19.7% of the total turnover).

However, the exchange rate risk is very limited as all costs (mainly salaries) and revenues are carried out in the local currency.

SQLI consider that the amounts involved are non relevant and, since the currency risk is divided among different currencies, the currency positions are not hedged by currency hedging instruments.

Table 13. Exchange risk

<i>(Data in thousands of euros)</i>	£	SEK	CHF FR	ZAR	MAD	Total
Assets	2,686	10,931	13,389	1,136	8,304	36,446
Liabilities	222	1,518	6,374	197	4,774	13,085
Net position before management	2,464	9,413	7,015	939	2,530	23,361
Off-Balance sheet commitments			-		-	
Net position after management	2,464	9,413	7,015	939	2,530	23,361

Table 14. Calculation of the risk of loss on currency global net position

<i>(Data in thousands of euros)</i>	£	SEK	CHF FR	ZAR	MAD	Total
Impact in result bef. taxes						
1% increase of the exchange rate	24	94	70	9	35	233
1% decrease of the exchange rate	-24	-94	-70	-9	-35	-233

4.1.4. DILUTION RISKS - RISKS RELATED TO EQUITIES

Regarding the market price risk, the company can only take action for its own securities, following the authorization given by the General Assembly. The operations made in 2017 are detailed on paragraph 21.1.3. "Self owned shares and buyback programs".

The dilution risk does not concern directly SQLI but the shareholders. Liquidity instruments are detailed in paragraph 21.1.4. "Liquidity tools"

At 31 December 2017, the total of potential dilution is related to the potential issue of 617,415 new shares, or 13.5%.

A shareholder owning 1.0% of SQLI capital would own 0.87 % of the capital after issue of the shares coming from dilutive instruments, if he doesn't hold any such share.



4.1.5. RISKS RELATED TO OFF-BALANCE SHEET COMMITMENTS

Except for the securities granted as a guarantee for bank loans related to subsidiaries securities, the Group does not have any other off-balance sheet commitment.

Remaining commitments coming from contract obligations

They consist exclusively in operating leasing contracts rents.

Table 15. Operating leasing contract rents

	<i>(Data in thousands of euros)</i>				
	Less than 1 year	From 1 to 5 years	More than 5 years	31/12/2017	31/12/2016
Premises	6,004	17,093	2,134	25,231	7,778
IT equipment	1,357	1,615	-	2,972	1,357
Vehicles	1,206	1,283	-	2,489	2,346
Operating leasing contract rents	8,567	19,991	2,134	30,692	11,481

Commitments received

The former shareholders of WAX INTERACTIVE LILLE granted to SQLI, until the term of the legal deadline set in the related social and tax regulations, a guarantee on assets and liabilities with an exemption of 48 K€ limited to 400 K€, with a possible surplus of 20% of the received earn-out, cross-guaranteed by a bank surety of 200 K€.

This guarantee does not include customer contracts.

The former shareholders of ECOMMERCE4U granted to SQLI, until the term of the legal deadline set in the related social and tax regulations, a guarantee on assets and liabilities with an exemption of 3 K€ limited to 40 K€, with a possible surplus of 20% of the received earn-out.

This guarantee does not include customer contracts.

The former shareholders of INVENTCOMMERCE granted to SQLI a guarantee on assets and liabilities limited to

450 K€ for a period of 18 months starting from the transfer and of 7 years relating to tax issues. 50 K€ have been transferred to a escrow account as a financial guarantee for the legal guarantee.

The former shareholders of STAR REPUBLIC have granted SQLI a guarantee on its assets and liabilities for all damages exceeding individually 90 KSEK, and cumulatively 700 KSEK. This guarantee is limited to 15 000 KSEK.

The guarantee is valid until November 2018 and until the expiration of statutory limitation periods, regarding tax procedure.

The former shareholders of OSUDIO HOLDING BV granted SQLI a guarantee on its assets and liabilities for all damages exceeding individually 20 K€, and cumulatively 140 K€. This guarantee is limited to 3,800 K€.

The guarantee is valid until November 2019 and until the expiration of statutory limitation periods, regarding tax procedure.





Debts guaranteed by real securities

Following the repayment of 7 M€ credit line contracted with a bank pool including banque Palatine, BNP Paribas, Société Générale, Caisse d'Epargne et de Prévoyance Bretagne Pays de Loire and Crédit Lyonnais, all the granted securities were released, including the pledge of ECOMMERCE4U, WAX

INTERACTIVE LILLE and WAX INTERACTIVE securities.

As a guarantee for the repayment of the 33 M€ debt, SQLI as given to BNP a pledge of all the securities of STAR REPUBLIC and OSUDIO HOLDING BV.

Credit lines accepted and still intact

The Group has three credit lines of 1 M€ each, with BNP Paribas, Caisse d'Epargne and the

Banque Palatine, plus a 23.9 M€ factoring capacity untouched at 31 December 2017.

Current conflicts

Various legal actions have been made against the group companies from former employees or customers. SQLI made reserves according to the level of risk calculated by the management team and based on the recommendations of legal counseling.

SQLI has been summoned in front of the Labour Court by four employees and provisioned the risk according to its lawyers' estimations. Four customer also started legal actions against SQLI, requesting 8.7 M€ of damages.

SQLI considers these claims as unfounded and the only provision made was for legal charges amounting to 0.1 M€. The first instance courts decisions adopted in 2017 confirmed SQLI position.

A legal action started a few years ago opposed a former shareholder of EOZEN Belgium and EOZEN SA to these two companies, for an amount of 1.0 M€. The Court of Appeal of

Brussels rejected the shareholder claim in June 2017. The claimant decided not to bring this decision in front of the Court of Cassation.

SQLI Belgium has been notified in December 2017 of a VAT recovery payment of 1.2 M€ with 2.5 M€ of fine and default interests for years 2010 to 2016. The company is denying this recovery and filled a contradictory application in front of the first instance court. The hearing will be on 15 March 2019.

SQLI Belgium considers itself faultless regarding the amounts specified in the recovery claim and did not constitute any reserve or debt with the Belgian tax administration at 31 December 2017.

The provisions related to the current conflicts are detailed in note 12 of the consolidated accounts exposed in paragraph 20.3.5. *"Accounting procedures and criteria, appendix and explanations"*.



LEGAL, REGULATORY AND TAX-RELATED RISKS

4.2.1. ENVIRONMENT-RELATED RISKS – IMPACT OF BUSINESS ON THE ENVIRONMENT

SQLI did not acknowledge any specific risk related to its activity in the industrial or environment fields, especially regarding the natural resources consumption (water, energy), the rejections in the water, the air or the soil...

Consequently, no funds or guarantee against environment risks have been created.

Given the nature of the group activity, no specific impact on the company close environment, whether good or bad, has been witnessed. In particular, the company business does not have any significant influence on the local economic development.

Social, corporate and environment-related information

It is recommended to consult the Report on social and environmental responsibility which is separately available on the Company website and dedicated to the instruction of the company shareholders before a General Assembly. This report is available on SQLI website : <http://www.sqli.com/Finance/Documents#assemblee>

A table of concordance including the topics mentioned in the Decree n°2012-557 of 24 April 2012 is included in Appendix 4. *"Table of concordance regarding social, corporate and environment-related information"* to the Reference Document.

4.2.2. INSURANCE-RELATED RISKS

The SQLI Group has adequate professional risk cover and is not currently implicated in any conflict related to activities not covered by its insurance policies.

Risks relating to losses due to contract termination or late payment penalties not covered by third party insurance are covered by provisions for risks and costs in the company's accounts.

The SQLI Group has a third party insurance policy with AXA company which covers any damages caused by third parties to its activities up to a maximum amount:

- of 7,500,000 € per accident implying the operating third party liability;
- of 15,000 K€ per claim and per insurance year implying the professional liability;

The third party liability of the company representatives relating to the exercising of their mandate is covered by an insurance policy with AXA; the guarantee amounts to 10,000,000 €.

The business loss risk is a major risk for which the company is not covered and whose management is ensured by the company itself. The costs of re-entry in case of loss exceeding the normal operating charges are covered by an insurance policy with AXA for an amount of 2,000,000 €.

The total amount of insurance premiums paid in 2017 amounts to 581 K€ for the Group (2016: 487 K€).



Table 16. Summary of the main effective insurance policies (France)

Risk factors	Company	Annual cost 2017	Cover extense
MRE	AXA	41.2 K€	Fires, explosion, theft, additional costs
Professional third party liability	AXA	218.2 K€	Civil liability insurance, ceiling of 7,500 K€ per accident Professional liability, 15,000 K€ per accident and insurance year
Liability of corporate officers and head managers	AXA	16.7 K€	Fault or oversight on behalf of managers, guarantee of 10,000 K€ per claim
Car fleet	AXA	193.9 K€	Damages all accidents

4.2.3. DEPENDENCE UPON PATENTS AND LICENSES

The company is not dependent on any patent or license really essential to its activity. The Groups main brands (SQLI, Eozen, Alcyonix) are protected in Europe and in the United States.

All the brands belong to SQLI. There is no existing item owned by the company managers or their families. All legal forms of protection of the trademarks, domain names

and the copyright have been carried out to the benefit of SQLI or its subsidiaries.

SQLI and its subsidiaries benefit from the copyright protection, enforced by the law of 3 July 1985, on all their software solutions and training aids. Major works have been deposited with a bailiff or with specialized depositories.

4.2.4. GOVERNMENT ACTION, ECONOMICS, BUDGET, CURRENCY AND POLICY-RELATED RISKS

There is no existing risk related to government action, economics, budget, currency or policy which has does or will threaten the company,

its activities, its financial situation and profitability.



RISK REVIEW – LIST OF SIGNIFICANT RISKS

After assessing the risks which may have a significant negative impact on SQLI activity, financial situation or results, the company concluded there is no significant existing risk beyond those presented in Chapter 4. *"Risk factors"* of the Reference document.

After examination of liquidity risks, the Company considers itself as being able to meet future deadlines.

The biggest existing risks which have been detailed above in Chapter 4 *"Risk factors"* are the following:

- Competition-related risks;
- Recruitment-related risks;
- Technology-related risks;
- External growth policy-related risks?



Chapitre 5. INFORMATION ABOUT THE ISSUER

HISTORY AND EVOLUTION OF THE COMPANY

5.0.1. CORPORATE NAME AND TRADE NAME (ARTICLE 2 OF THE COMPANY ARTICLES OF ASSOCIATION)

"The company name is : SQLI

In all reports and documents coming from the company to be given to a third party, the terms "Société Anonyme" or its initials "SA" must be written before or after the company name, along with the amount of its social capital and its SIREN and RCS registration numbers." "

5.0.2. LOCATION AND REGISTRATION NUMBER

SQLI is registered in the Bobigny Commercial Register under number 353 861 909.

5.0.3. DATE OF INCORPORATION AND DURATION (ARTICLE 5 OF THE COMPANY ARTICLES OF ASSOCIATION)

"The legal duration of the Company is fixed at 99 years as from 22 March 1990, date of registration in the French Companies register, unless it is extended or dissolved. "

5.0.4. OTHER INFORMATION RELATED TO SQLI

Headquarters, legal form, home country, address and phone number, internet website

SQLI is a corporation (a French "Société Anonyme") run by an Executive Board.

The headquarters address, phone number and website are:

SQLI – 166, rue Jules Guesde – 92300 Levallois-Perret

Tel : 01 55 93 26 00 - Fax: 01 55 93 26 01
Internet website:

www.sqli.com

Regulations affecting the company activities

SQLI is a "Société anonyme" subject to the French laws and regulations and in particular to the Commercial Code (Code de Commerce) principles regarding business companies, and to the company Statutes.

Financial year (article 31 of the company Articles of association)

"The financial year starts on 1st January and ends on 31 December. "

5.0.5. MAJOR EVENTS IN THE DEVELOPMENT OF THE SQLI ACTIVITIES

Since its creation in 1990, SQLI helps companies to learn how to use new technologies, basing its development on technological expertise, a strong innovation policy and the recruitment of experimented resources, while investing in training.

SQLI has been able to anticipate all major TI innovations while breaking into the most buoyant segments of the computer services market, and ultimately enhanced its high added value offer focused on Digital expertise.



1990 - 1995: The user-server years

Creation of the company, focused on the use of new technologies. Creation of a R&D department and publication of comparative studies on the user-server development tools.

1995 - 1998: From user-server to the Internet

A turn is made towards Internet technologies, that help the R&D teams to resolve the problems of user-server application deployment (in 1995 the Internet is considered as the universal user-server). Creation of the "Web Agency". Publication of an ergonomics guideline for Internet applications. Beginning of a regional development with the creation of an agency in Lyon.

1999 to 2001: Development acceleration

Capital uplift thanks to the company initial public offering in 2000. The company has more than 700 customers for a turnover of 45.3 M€ in 2001. Purchase of SUDISIM, ABCIAL, INVERSO and CARI, Opening of a subsidiary in Switzerland. Development of the regional network (Toulouse, Bordeaux, Nantes...).

2002 to 2004: New management : new development

The founders form a new Governing team. In order to meet the customers' expectations "better, faster, and cheaper", SQLI launches the industrialization project with CMMI, which is the spearhead of the company strategy. In 2003 is created an offshore development center in Morocco. Totally owned by SQLI, the centre follows all methods and processes projected by the company.

2005 to 2009: Leader of e-business projects

The industrialization strategy is going on: all agencies have obtained CMMI level 3

certification in 2006. Thanks to the acquisition of many companies between 2005 and 2007, SQLI confirmed its leading position on the e-business French market, and helps customers transform their information systems thanks to new technologies.

2009 - 2012: Plan Boost

SQLI started a plan boost in order to rationalise production means, optimize the Group structure and innovate to increase the value offer to the clients. A few agencies and subsidiaries are closed or sold. With a new management team, the Group embraced a matrix structure organized in transversal business lines (reinforcement plan for offers added value) and local agencies (rationalization of production means). In 2011, SQLI purchased Wax! Interactive. This acquisition is meant to strengthen SQLI offer in Digital activities. In 2012 and 2013, SQLI carried on pursuing strategic actions with the sale of 5 business segments.

2013 - 2018: Ambition 2016 and MOVE UP 2020

Didier FAUQUE launched a new strategic plan: AMBITION 2016. In 2013, SQLI sold its Health solutions activity in order to focus on SQLI core expertise development, which includes digital marketing and Front-office & Back-office e-business activities. The Group will be organized in two complementary business branches : "Digital Commerce" (branded as WAX INTERACTIVE) and "Digital Technologies" (branded as SQLI ENTREPRISE). 2014 showed the restructuring of WAX INTERACTIVE business with the acquisition of NAXEO, ECOMMERCE4U and LSF INTERACTIVE :



In 2015, the Group started using performance indicators (mix digital, off/on shore, productivity, operational excellence and fixed costs) in order to follow key factors. SQLI is also developing the service offer with a new consulting solution. SQLI consolidate its presence with Major accounts and invests in international assistance for its customers.

The AMBITION plan ended in 2016 with the achievement of turnover objectives and

profitability. SQLI carried on its international growth strategy with the purchase of INVENTCOMMERCE, operating on South Africa and the United Kingdom in 2016, the Swedish company STAR REPUBLIC (strong presence in Scandinavian countries) in 2017 and OSUDIO (operating mainly in Belgium, the Netherlands and Germany).

The MOVE UP 2020 plan brings new objectives for SQLI.

INVESTMENTS

5.1.1. MAIN INVESTMENTS MADE DURING THE YEAR

Cash flow on investment activities are increasing due the firm price payment for the securities of STAR REPUBLIC (6,670 K€) and OSUDIO (16,735 K€), net of cash acquired (1,940 K€).

Table 17. Cash flow on investment activities

<i>(Data in thousands of euros)</i>	2017	2016	Variation
Acquisition of fixed assets	-3,607	-3,135	-472
Transfer of fixed assets	162	843	-681
Scope variation ¹	-21,465	-610	-20,855
Cash flow on investment activities	-24,910	-2,891	-22,019

New acquisitions

The fixed assets acquisitions in 2017 mainly consist in general facilities, office equipment, computer equipment and furniture for the new Parisian facilities and other premises such as Lyon.

Transfers concluded during the year

In 2017, SQLI didn't do any major sale.

The company did not plan any specific new or continued investment in 2018 and in the years to come.

Regarding its current investments, the company will use a part of its available cash flow, which amounts to 19,276 M€ on 31 December 2017.

5.1.2. MAIN CURRENT INVESTMENTS AND FINANCING STRATEGY

The Group financial structure is very healthy at 31 December 2017 with:

¹ Firm price payment for the securities of STAR REPUBLIC (6,670 K€) and OSUDIO (16,735 K€), net of cash acquired (1,940 K€).



- a factoring capacity with an available credit line of 23,900 K€;
- authorized overdraft lines of 3,0 M€.

5.1.3. INVESTMENT STRATEGY AND FIRM COMMITMENTS

As explained above, SQLI main investments are related to its external growth, with the acquisition of companies and the payment of earn-outs related to former acquisitions. The group can also invest opportunistically for its internal growth.

However, and given the many acquisitions made during the last years, the company wants to consolidate its position on the purchased companies markets and to focus on their integration in order to leverage the synergies gained with their acquisition.

The Group main firm commitments are exposed in paragraph 4.2.5. « *Risks related to off-balance sheet commitments* ». These commitments will be mainly financed with the Group own equity and net cash position.





SQLI turnover for 2017 amounted to 212 m€ (11% growth), thanks to the hard work of 2,272 people. The Group operates in 12 countries: France, Germany, UK, Switzerland, Belgium, Netherlands, Luxembourg, Sweden, Denmark, Spain, Morocco and South Africa.

In the last five years, SQLI oriented its commercial strategy on

- major accounts and international brands. En 2017, the first ten clients represented a 7% growth.
- The 5 pillars of SQLI Digital offer: Marketing, Mobile, E-Commerce, Data, Web Solutions.

In 2016, SQLI started to implement the "Move Up 2020" plan, a four years development strategical plan (2020) with the aim to reach a double digit annual growth and a current operating margin rate¹ exceeding 12% at the end of the period.

According to this plan, SQLI aims to organize its offer in two distinct brands:

- WAX INTERACTIVE, focused on developing its customers sale business in three major fields: digital marketing, connected commerce and data intelligence, in order to improve the company performance on the market;
- SQLI ENTREPRISE, dealing with the transformation of organizations and systems in order to create new interactions between the company and its partners, suppliers and coworkers, with the objective to improve the performance of the company itself.

Two other brands are also active within the Group:

- SQLI CONSULTING
- SQLI INSTITUT

¹ EBITDA = current operating result + Net allowance to depreciation and provisions



MAIN ACTIVITIES

6.0.1. OFFERS: SUPPLIER OF DIGITAL EXPERIENCE SERVICES

SQLI company operates in the digital services sector. We help companies and businesses focused on the definition, implementation and management of their digital systems in order to renew the experience offered to their customers, partners and associates. Our mission is to increase the revenues and recognition of our clients and to improve the efficiency and performance of their organisation. SQLI playground : e-commerce platforms, marketing and digital communication.



A dual answer for a unique positioning

Digital transformation is a critical move for all companies today. With digital channel being more and more diverse and generating more and more uses, economic models are totally transformed, from customer relationship to working methods within a company.

SQLI positioning is unique, which helps the company to reach its performance objectives with a global approach, relying on two strong brands:

- WAX INTERACTIVE : how to increase the clients sale numbers and experience;
- SQLI ENTERPRISE : how to transform existing organizations and systems



- **WAX Interactive** : powerful catalyst for brands wishing to boost sales



WAX Interactive is a digital marketing agency offering an exhaustive panel of services and solutions designed to help brands and commercial companies with their digital transformation.

This unique offer combines marketing, technology, innovation and creativity in order to improve the efficiency and performance of user experience and develop the recognition and loyalty to the brand, thanks to three areas of expertise: "Integrated Digital Marketing", "Connected Commerce" and "Data Intelligence".

WAX Interactive designs, builds and promotes digital infrastructures on all the web and mobile platforms with a simple objective: connect in order to convince and retain consumers.

The client success depends on the ability to anticipate practices and expectations of users who become more and more demanding. Every day, Wax Interactive creates links between brands and clients, services and targets, experiences and users, marketing and technology.

- **SQLI Enterprise** : specialised in transforming organisations and systems through an assistance offer in 3 steps (Plan, Build et Run) covering 5 major fields :

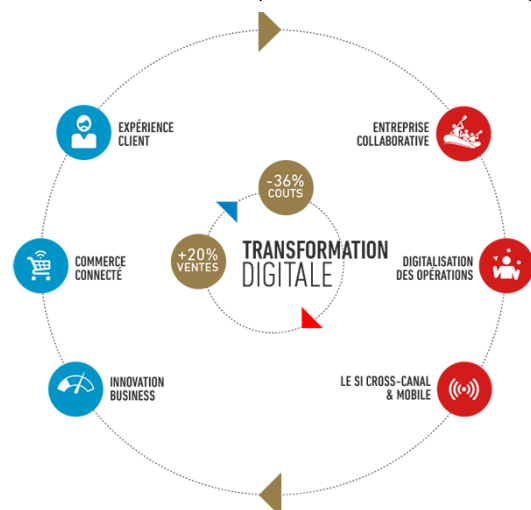


SQLI Enterprise is an expert in consulting and technology innovation. The company is a leading actor on the company digital transformation market: business/IT collaboration, futurist architecture, advanced expertise on innovative technologies, all at the service of collaborative experience and digitalization of processes and services.

SQLI ENTERPRISE is the reference partner to define, implement and monitor digital transformation.

Our solutions make the digital integration easier by accelerating collaboration between employees, partners and suppliers, promoting innovation, improving team mobility and devices connectivity, digitalizing business processes to gain in efficiency and simplicity.

Our approach combines uses and technologies to work in a faster, more connected and more efficient way and help the company to satisfy customer needs.



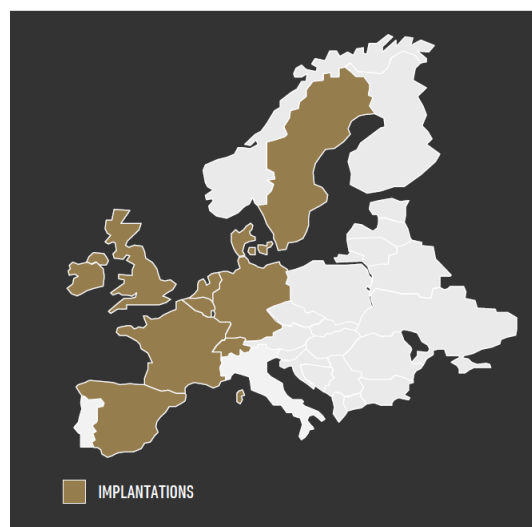
6.0.2. EUROPEAN PRESENCE - INTERNATIONAL CAPACITY

SQLI group is one of the few digital services company to have such a big agencies network in Europe :

1. France Paris, Lyon, Bordeaux, Nantes, Rouen, Toulouse, Lille
2. Germany: Berlin, Dortmund and Stuttgart;
3. Switzerland: Lausanne, Zurich and Geneva;
4. Belgium: Brussels, Gent and Diepenbeek;
5. Netherlands: Amsterdam and Eindhoven;
6. Luxembourg
7. United Kingdom: London
8. Sweden: Göteborg, Stockholm and Malmö ;
9. Denmark: Copenhagen

Along with two innovative Service centers (CSI) based in Nantes and Bordeaux, France, SQLI also has five other CSI in:

1. Spain: Valencia;
2. South Africa: Cape Town;
3. Morocco: Rabat, Casablanca and Oujda.



SQLI presence in various locations in France, Europe, Morocco and South Africa allows to meet the global expectations of its major national and international accounts.

The Group can rely on its strong position and the gradual increase of its network on dynamic markets in line with the MOVE UP 2020 development plan, allowing to consolidate its place as a reference leader for digital services in Europe.

6.0.3. EUROPEAN NETWORK - INTERNATIONAL PROJECTS

SQLI wants to stay focused on its international development. In 2017, International sales (France ex.) accounted for 97.6% of the total growth and 94.3% of organic growth (organic turnover: +8.8 M€ and acquisitions: +11.8 M€).

SQLI started his development outside of French-speaking countries in 2016, with the acquisition of INVENTCOMMERCE in the United Kingdom, one of the leading European markets for digital activities. In 2017,

SQLI expanded this development strategy within the major digital areas by purchasing STAR REPUBLIC and OSUDIO:

STAR REPUBLIC operates in the Northern countries with two offices in Sweden, in Stockholm and Göteborg. STAR REPUBLIC has 70 employees, specialized in e-commerce solutions and web and mobile platforms for the following key sectors: Retail, banking, health and mass consuming. SQLI and STAR REPUBLIC share the same values and STAR REPUBLIC has good connections thanks to strong existing partnerships: InRiver PIM Systems – Nordic Partner of the Year in 2014, EpiServer – Partner of the Year in 2013 and Salesforce Commerce Cloud Partner.



OSUDIO is a Belgian and Dutch digital company with a strong presence in these two countries and in Germany. It also brings an additional force to the Nordic countries market thanks to a subsidiary in Denmark and to the Spanish market with an Innovative Service Center in Valencia. OSUDIO can be easily connected to SQLI model thanks to its focus on e-commerce, its Hybris expertise and the association of marketing and technology offers already in place for many years. The

company has a strong partner network bringing value to SQLI existing partnerships (SAP Hybris or ADOBE) and adding new partners (Bloomreach, ContentServ, CommerceTools, etc.).

The two companies participated in the commercial strategy focused on "major accounts/international brands" by bringing new major clients in the portfolio:



These two acquisitions boosted SQLI European development, with 11 new offices in Europe (without redundancy).



SQLI group is one of the few digital services company to have such a big agencies network in Europe.

The international growth is a key factor of success for the MOVE UP 2020 plan. SQLI's objective is to have 45% of the total turnover accounted by foreign activities (ex. France) in 2020, against 34% (inc. STAR REPUBLIC and OSUDIO y.o.y) in 2017 and 22% in 2016.

Client-focused strategy Major accounts and international brands.

SQLI customer references are described on the following web address:

<http://www.sqli.com/Accueil/References>

SQLI business strategy is currently focused on major European or International clients who can make big investments to implement high-value added digital projects.



6.0.4. INNOVATIVE ORGANISATION

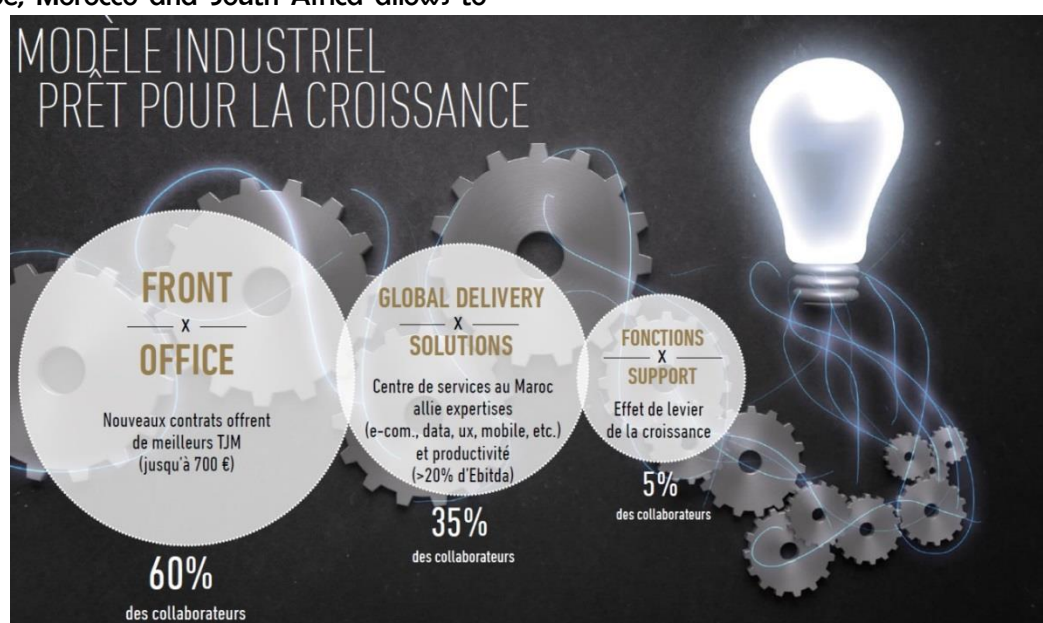
Innovative Service Center - Delivery model

In the end of 2017, SQLI organisation is able to answer existing clients needs, with two Innovative Service Centers based in Nantes and Bordeaux, France, and five other CSI in Spain (Valencia), South Africa (Cape Town) and Morocco (Rabat, Casablanca and Oujda).

SQLI presence in various locations in France, Europe, Morocco and South Africa allows to

meet the global expectations of its major national and international accounts.

These Innovative Service Centers have 683 employees at 31 December 2017. SQLI's objective is to keep developing the CSIs in order to have a workforce of 1000 employees at the end of the MOVE UP 2020 plan.



Innovation – First characteristics of SQLI Group

In order to strengthen its innovative approach, which is on line with the group unique positioning on improving the companies global performance and combining marketing and technology, SQLI decided to create a new unit dedicated to digital prospective: the LAB.

SQLI Lab is a prospective and experimenting structure. It has a cross-disciplinary team composed of technology, innovation and marketing experts. Together, they explore, invent and test potential developments in order to satisfy the client needs. This team of experts has complementary skills: Creative Technology, Innovation, strategic planification

and Creative Development. These experts are strongly interested in technology innovation and the new usages which come from it.

They form the "hard core" of the LAB and their mission is to lead a community of digital experts within the Group.

Updates on SQLI Lab projects are available on the Group website: <https://lelab.sqli.com/>. The "Lab Digest" is a weekly review including a selection of links and news considered of interest and related to many subjects: robotics, connected objects, Fintech, new customs and services, the future of digital retail, Artificial intelligence, etc.

6.0.5. KEY TECHNOLOGY PARTNERS

The group has a privileged relationship with major technology and software actors, but also with smaller ones, offering real added value solutions to its customers. Built on lasting collaboration, its partnerships rely on a deep knowledge of solutions and of their evolution.

SQLI has currently strong partnerships with the main technology actors of the Digital sector : SAP Hybris (Gold Partner), Magento, Episerver, Salesforce Commerce Cloud, Mirakl, Akeneo, Inriver, Informatica, Adobe, CommerceTools, ContentServ, etc.



MAIN MARKETS

Table 18. SQLI main markets

<i>(Data in thousands of euros)</i>	2017		2016	
	Turnover	Current Operating result	Turnover	Current Operating result
France	149,586	8,026	149,097	13,120
Switzerland	31,600	702	23,796	237
North of Europe	26,470	1,381	14,029	-64
Other	4,304	770	3,987	680
Total	211,960	10,879	190,909	13,973

The turnover in France remains stable: 149.6 M€ in 2017 against 149.1 M€. The international revenues (France ex.) amount to 62.4 M€ in 2017, that is 29.4% of the turnover, against 41.8 M€ in 2016 (21.9% of 2016 turnover).

- Switzerland revenues grew by 32.8%.
- The North of Europe, including the United Kingdom, Luxembourg, the Netherlands, Sweden, Germany and Denmark) is up by 88.7%; thanks to new markets and a strong momentum in this area.
- The growth of the other countries (Morocco and South Africa) is more limited (8.0%).

The operational result sharply decreased in France (8,026 K€) but strongly improved abroad (+234.5%).

EXCEPTIONAL EVENTS THAT INFLUENCED THE COMPANY BUSINESS

The company didn't acknowledge any particular or exceptional event having consequences on SQLI activities in 2017.



THE COMPANY COMPETITIVE ENVIRONMENT

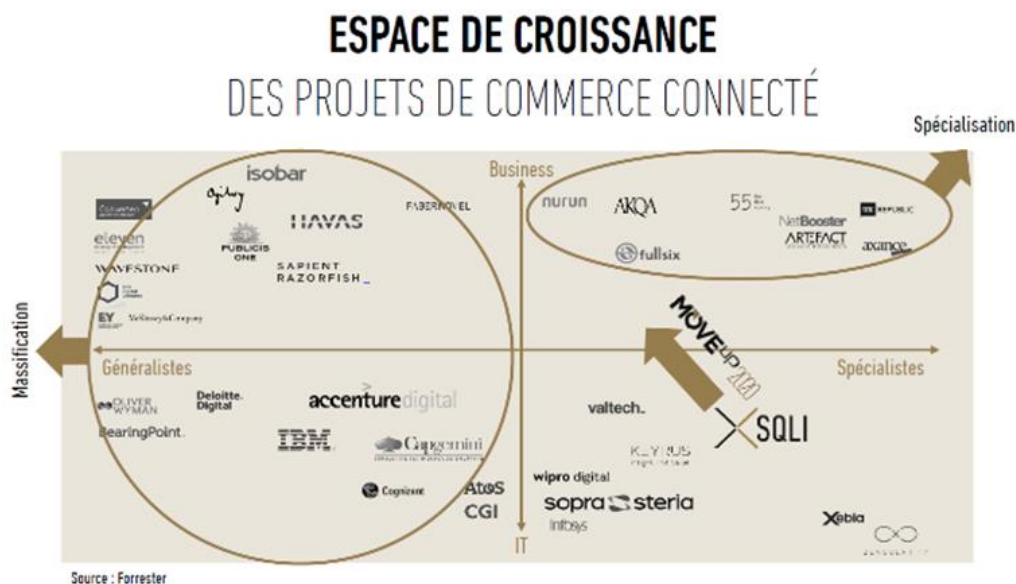
SQLI is not an addition of distinct entities but a unified Group with a common objective, helping clients and brands to accomplish their digital transformation. The added value of SQLI solutions consists in offering a "One Stop Shopping" to the clients, i.e. a dedicated partner able to build their digital project throughout the whole process:

1. Design with SQLI Consulting,
2. Creation with SQLI Enterprise (cross-channel e-commerce platforms, mobile applications, collaborative environments...),

3. Marketing animation with WAX Interactive (acquisition, loyalty, client experience...).

SQLI competitors belong to three different sectors:

1. Digital-oriented technology companies, such as Valtech, Keyrus, CapGemini, etc.
2. Digital-oriented consulting firms, such as Accenture, Deloitte, McKinsey & Company, Wavestone, etc.
3. Communication groups specializing in technology and digital services in order to meet their client needs.



SQLI main asset is a pure digital player strategy with 100% of its capacity dedicated to clients digital projects and a 100% digital strategy, in contracts with all the company main competitors. The integrated model which is linked to a combination of integrators, interactive agencies, publishers and consultants, makes this global approach of digital possible.



The Group has many other competitive advantages allowing to be a reference company on the market with a strong presence with major accounts, as was previously described :

- European network of local agencies operating on the main digital markets in Europe (SQLI front-end organisation);
- Nearshore network of Innovative Service Centers allowing to offer Agile solutions to the clients (SQLI back-end organisation) and implement solutions combining operational excellency and competitiveness for major accounts/international brands;
- Focus on innovation within SQLI Group and the LAB;
- Network of strong partnerships with the main technology actors of the Digital sector;
- Reference clients on the market such as Nespresso, Seb, Carlsberg, Miele, L'Oréal, etc.

6.3.1. PERSPECTIVES, STRATEGY AND GROUP PROJECTS

2017 is a year of transition between the end of "Ambition 2016" plan and the implementation of "Move Up 2020", a four year development plan (2016-2020). This development strategy plan targets a double digit annual growth and a current EBITDA¹ margin rate exceeding 12 % at the end of the period.

With this positioning, SQLI can help international groups (Airbus, Audemars Piguet, BNP Paribas, L'Oréal, Nestlé, Pizza Hut, Roche, Seb and others) to implement their digital strategy.

The Group plans to implement the new strategic plan Move UP 2020, as it was presented to the market in June 2016.

SQLI business strategy is currently focused on major accounts and international brands.

The Group also intends to actively extend its geographical presence with an external growth focused on establishing European leadership on digital applications.

The other factors of SQLI perspectives are presented in Chapter 12. "Information about the trends" and Chapter 13. "Profit forecasts and estimates".

¹ EBITDA = current operating result + Net allowance to depreciation and provisions



Chapitre 7. ORGANIZATION CHART

GROUP SCOPE

SQLI holdings at 31 December 2017 are the following:

Table 19. SQLI holdings

Name	Headquarters	31/12/2017		31/12/2016	
		Control %	Interest %	Control %	Interest %
SQLI SA	Levallois-Perret (92)	Consolidating Company			
ABCIAL SAS	Levallois-Perret (92)	100 %	100 %	100 %	100 %
ASTON INSTITUT SARL	Boulogne-Billancourt (92)	100 %	100 %	100 %	100 %
CLEAR VALUE SAS	Levallois-Perret (92)	100 %	100 %	100 %	100 %
ECOMMERCE4U SARL	Levallois-Perret (92)	100 %	100 %	100 %	100 %
EOZEN FRANCE SAS	Levallois-Perret (92)	100 %	100 %	100 %	100 %
GEIE ICE ³	Blagnac (31)	25 %	100% ¹	25 %	100 % ¹
WAX INTERACTIVE SAS	Levallois-Perret (92)	100 %	100 %	100 %	100 %
WAX INTERACTIVE LILLE SAS	Levallois-Perret (92)	100 %	100 %	100 %	100 %
ICONWEB MULTIMEDIA MAROC SARL	Casablanca (Morocco)	100 %	100 %	100 %	100 %
SQLI BELGIUM SA	Diegem (Belgium)	100 %	100 %	100 %	100 %
SQLI LUXEMBOURG SA	Luxembourg (Luxembourg)	100 %	100 %	100 %	100 %
SQLI MAROC SA	Rabat (Morocco)	100 %	100 %	100 %	100 %
SQLI SA	Strassen (Luxembourg)	100 %	100 %	100 %	100 %
SQLI SUISSE SA	Renens (Switzerland)	100 %	100 %	100 %	100 %
WAX DESIGN SPRL	Laethem-Saint-Martin (Belgium)	100 %	100 %	100 %	100 %
INVENTCOMMERCE LTD	London (United Kingdom)	100 %	100 %	100 %	100 %
INVENTCOMMERCE PROPRIETARY LTD	Cape Town (South Africa)	100 %	100 %	100 %	100 %
STAR REPUBLIC AB	Göteborg (Sweden)	100%	100% ⁽²⁾	na	na
OSUDIO HOLDING BV	Heerlen (Netherlands)	100%	100% ⁽²⁾	na	na
SOFTLUTION NEDERLAND BV	Eindhoven (Netherlands)	100%	100%	na	na
OSUDIO SOFTLUTION SPAIN SL	Valencia (Spain)	100%	100%	na	na
OSUDIO NORDICS APS	Copenhague (Denmark)	100%	100%	na	na
OSUDIO BELGIUM NV	Diepenbeek (Belgium)	100%	100%	na	na
OSUDIO NEDERLAND BV	Amsterdam (Netherlands)	100%	100%	na	na
OSUDIO DEUTSCHLAND GMBH	Dortmund (Germany)	100%	10 %	na	na

¹ For SQLI business

². For Osudio and Star Republic, SQLI holds 72% and 90% of share capital, respectively. SQLI has calls allowing to access to 100% of share capital before 2021 for Osudio and 2022 for Star Republic.

³ SQLI owns 25% of GEIE ICE voting rights.

In May 2017, SQLI did an external growth operation in Sweden, acquiring 90% of Star Republic AB share capital and voting rights, with the remaining 10% held by the

target company managers. SQLI has calls allowing to acquire to 100% of share capital by 2021.



In September 2017, SQLI bought 71.9% of share capital of Osudio Holding BV, which is a leading e-commerce company operating in Belgium, the Netherlands, Luxembourg, Denmark, Germany. SQLI

has calls allowing to acquire to 100% of share capital by 2021.



MAIN SUBSIDIARIES

All subsidiaries of the SQLI Group have similar business activities to that of SQLI and are therefore able to offer their customer base the whole range of the group skills.

At 31 December 2017, the group consolidated scope included SQLI and all the companies listed below. The table presents each company contribution to the group turnover and consolidated results, excluding intra-group transactions.

Table 20. Contribution of the Group main subsidiaries

(Data in thousands of euros)

Subsidiary	2017			2016		
	Turnover	Current Operating result	Net result	Turnover	Current Operating result	Net result
SQLI	131,912	2,251	-3,580	127,648	10,593	5,077
GEIE ICE	14,672	12	-	10,197	3	
EOZEN (ex-CLEAR VALUE)		273	277		233	164
ASTON EDUCATION						
ASTON INSTITUT	2,921	815	575	3,478	898	512
WAX INTERACTIVE	7	369	92	7,317	-646	-1,211
WAX INTERACTIVE LILLE	-14	57	-126	3	148	90
ECOMMERCE4U	88	-86	-86	454	-58	-58
France	149,586	3,691	-2,848	149,097	11,171	4,574
SQLI Suisse	31,600	2,437	1,843	23,796	1,169	829
CLEAR VISION International		-8	-10		-21	-24
SQLI Maroc	3,051	1 590	1,207	2,971	972	476
ICONEWEB Maroc		-7	-26		-14	-10
SQLI Benelux	10,633	273	-103	10,703	25	-110
WAX Belgium	3,321	419	252	2,963	238	139
INVENTCOMMERCE (UK)	860	245	178	363	119	113
INVENTCOMMERCE (South Africa)	1,158	352	256	1,016	314	225
STAR REPUBLIC AB	5,100	322	226			
OSUDIO HOLDING BV		433	137			
SOFTLUTION NEDERLAND BV	56	525	514			
OSUDIO SOFTLUTION SPAIN SL	374	-126	-100			
OSUDIO NORDICS APS	70	257	205			
OSUDIO BELGIUM NV	1,870	223	74			
OSUDIO NEDERLAND BV	4,186	237	157			
OSUDIO DEUTSCHLAND GMBH	95	16	12			
International	62,374	7,188	4,822	41,812	2,802	1,638
Total	211,960	10,879	1,974	190,909	13,973	6,212

The results of international business (France ex.) account for 62.4 M€ in the consolidated turnover of 2017, i.e. 29.4% of the total turnover (compared to 41.8 M€ or 20.0% in 2016).



Chapitre 8. REAL ESTATE PROPERTY, FACTORIES AND EQUIPMENT

TANGIBLE FIXED ASSETS AND REAL ESTATE PROPERTIES FOR RENT

8.0.1. TANGIBLE FIXED ASSETS

They mainly consist in general facilities, office equipment, computer equipment and furniture.

The Group rents the majority of its premises under traditional commercial leases. The largest premises are in the Company's headquarters in Levallois-Perret and in Lyon.

The details regarding SQLI leases are given hereafter.

SQLI decided to centralize its Paris agencies in Levallois Perret new premises in February 2018. This relocation project led to the depreciation of Saint-Denis and Paris facilities and premises for an amount of 287 K€ at 31 December 2017.

8.0.2. REAL ESTATE PROPERTIES FOR RENT

SQLI operates on the main digital markets in Europe:

- France (Paris, Lyon, Toulouse, Bordeaux, Rouen, Nantes et Lille)
- Germany (Berlin, Dortmund and Stuttgart)
- Switzerland (Lausanne, Zurich and Geneva)
- United Kingdom (London)
- Netherlands (Amsterdam and Eindhoven)
- Belgium (Brussels, Gent and Diepenbeek)
- Luxembourg
- Sweden (Göteborg, Stockholm and Malmö)
- Denmark (Copenhagen)
- Spain (Valencia)

and out of Europe:

- Morocco (Rabat, Casablanca and Oujda).
- South Africa (Cape Town).

At 31 December 2017, the "premises for rent and rental costs" item increased to 8,128 K€, following the new acquisitions of STAR REPUBLIC and OSUDIO (7,250 K€ in 2016).



Table 21. Main existing leases in 2017 (non audited data)

Location	Country	Surface area (s.m)	Annual rent 2017 (€ Tax ex.)	Annual rent 2016 (€ Tax ex.)
Saint-Denis	France	3,843	1,000,160	989,102
Lyon	France	2,675	352,242	418,397
Toulouse	France	1,824	213,192	212,162
Paris, France	France	1,381	546,444	652,398
Bordeaux	France	2,900	382,097	185,867
Nantes	France	897	115,295	115,579
Boulogne	France	274	95,267	94,620
Rouen	France	374	47,872	47,872
Aix	France	48	17,624	18,132
Roubaix	France	500	69,560	62,963
Lille	France	275	39,476	39,290
Arcueil	France	1,739	256,972	140,741
Casablanca	Morocco	234	40,734	28695
Rabat	Morocco	1,821	355,047	263,519
Lausanne	Switzerland	559	104,374	108,427
Geneva	Switzerland	356	112,105	116,458
London	United Kingdom	70	41,253	37,884
Cape Town	South Africa	NA	23,614	18,757
Diegem	Belgium	529	73,627	68,846
Strassen	Luxembourg	90	27,300	NA
Sint-Martens-Latem	Belgium	569	73,968	NA
Göteborg	Sweden	868	227,118	NA
Stockholm	Sweden	120	61,357	NA
Eindhoven	Netherlands	452	36,547	NA
Amsterdam	Netherlands	772	175,147	NA
Lünen	Germany	806	67,429	NA
Berlin	Germany	243	38,258	NA
Diepenbeek	Belgium	960	171,300	NA
Valencia	Spain	600	48,000	NA

ENVIRONMENTAL INFLUENCE ON SQLI USE OF TANGIBLE ASSETS

There hasn't been any consequence of the environment on SQLI activity during the previous years, nor is there any environment factor likely to have an impact in the future on the group's activity.

For further information, see paragraph 4.3.2. *"Environment-related risks – Impact of business on the environment"* of this Reference Document.

Social, corporate and environment-related information

It is recommended to consult the Report on social and environmental responsibility which is separately available on the Company

website and dedicated to the instruction of the company shareholders before a General Assembly. This report is available on SQLI website :

<http://www.sqli.com/Finance/Documents#assemblee>

A table of concordance including the topics mentioned in the Decree n°2012-557 of 24 April 2012 is included in Appendix 4. *"Table of concordance regarding social, corporate and environment-related information"* to the Reference Document.



Chapitre 9. ANALYSIS OF FINANCIAL SITUATION AND RESULT

The figures below represent consolidated data.
The rules and accountancy procedures used for their drafting are detailed in paragraph
SQLI FINANCIAL SITUATION

20.3.5. "Accounting procedures and criteria, appendix and explanations".

Consolidated Result account

Table 22. SQLI Consolidated Result account

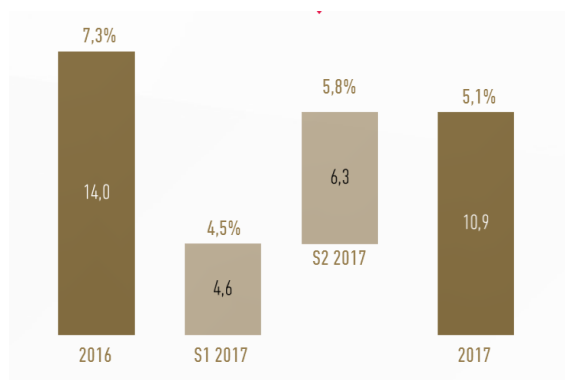
Data in thousands of euros

	2017	2016	Variation
Turnover	211,960	190,909	21,051
Other earnings	5,958	5,453	505
Used purchases	-2,126	-4,438	2,312
Staff costs	-133,733	-120,756	-12,977
External costs	-65,696	-52,712	-12,984
Taxes and dues	-3,182	-3,144	-38
(Net) Depreciation and other operating provisions	-2,361	-1,311	-1,050
Other operating costs and income	59	-28	87
Current Operating result	10,879	13,973	-3,094
Goodwill depreciation	0	0	0
Other non current operating incomes and expenses	-6,411	-3,224	-3187
Operating result	4,468	10,749	-6,281
Cash and cash equivalent income (charges)	75	55	20
Total of gross financial debt	-1,448	-582	-866
Total of net financial debt	-1,373	-527	-846
Other financial income and charges	60	83	-23
Result (bef. taxes)	3,155	10,305	-7,150
Tax liability	-1,181	-4,093	2912
Net result (before result of activities transferred or being transferred)	1,974	6,212	-4,238
Result of activity being stopped or transferred	0	0	0
Net result	1,974	6,212	-4,238
Group share	1,974	6,212	-4,238
Minority interests	0	0	0



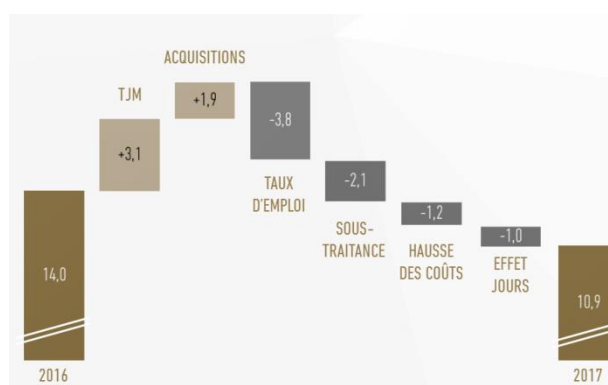
Operating result

The current operating result for year 2017 has 10,879 K€ of benefits compared with a current operating result of 13,973 K€ in the previous year.



This decrease is mainly due to:

- an increasing average daily rate, from 18 € to 476 € (positive impact of 3.1 M€);
- the positive contribution of the acquisitions of the year (1.9 M€);
- the decreasing employment rate (1.8%) having a negative impact of 3.8 M€;
- the increase of subcontracting by 2.9% compensated by the gross margin rate fall of 4% (negative impact of 2.1 M€);
- the cost increase (mainly related to premises, recruitment and commercial force) amounting to 1.2 M€;
- the effect of public holidays (negative impact of 1.0 M€).



The operating result for year 2017 has 4,468 K€ of benefits compared with an operating result of 10,749 K€ in the previous year.

Non current income and expenses amount to 6,411 K€, including mainly:

- restructuring costs (2,324 K€) mainly related to the departure of some Group managers;
- costs related to the relocation of Parisian offices (1,109 K€);
- acquisition costs related to company mergers (1,460 K€); mainly, acquisition costs of STAR REPUBLIC (398 K€) and OSUDIO (680 K€), accounted for as expenses for the year, according to IFRS 3.
- Other transactions related to agreements and conflicts (1 396 K€), mainly related to tax controls in France, Morocco and Belgium (894 K€) and risks and costs related to trade litigation (502 K€).
- Costs related to stock options and free shares (122 K€).

Financial result

The cost of net financial debt shows a loss of 1,373 K€ compared to a loss of 527 K€ in 2016, mainly due to the increase of interests related to the increase of long term loans.

Table 23. Total of SQLI consolidated net financial debt

(Data in thousands of euros)

	2017	2016	Variation
Revenues from loans and receivables	30	12	18
Net earnings from VMP sales	45	43	2
Cash and cash equivalent income	75	55	20
Interest charges	-1,186	-495	-691
Factoring financing commission	-99	-75	-24
Hedging instruments for loans rates	-163	-12	-151
Total of gross financial debt	-1,448	-582	-866
Total of net financial debt	-1,373	-527	-846

The other financial income and expenditure (60 K€ in 2017) didn't have any significant impact on the result before taxes.

Table 24. Other financial income and charges

(Data in thousands of euros)

	2017	2016	Variation
Exchange rate differences	76	-13	89
Discounting of long term loans and debts	-16	96	-112
Other financial income and charges	+60	+83	-23

Consolidated net result

After integration of a 1,181 K€ tax liability, the net result amounts to 1,974 K€, against a consolidated net result of 6,212 K€ in 2016.



CONSOLIDATED OPERATING RESULT

9.1.1. EVOLUTION OF THE CONSOLIDATED OPERATING RESULT

Turnover

For year ending on 31 December 2017, the turnover amounted to 211,960 K€ (190,909 K€ in 2016), representing a 11% increase.

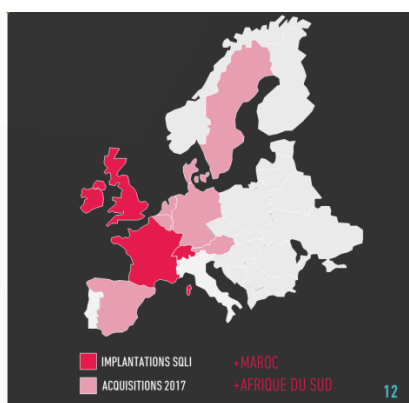
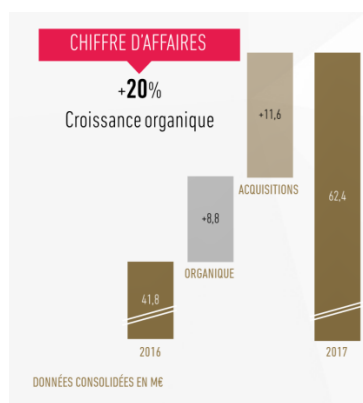
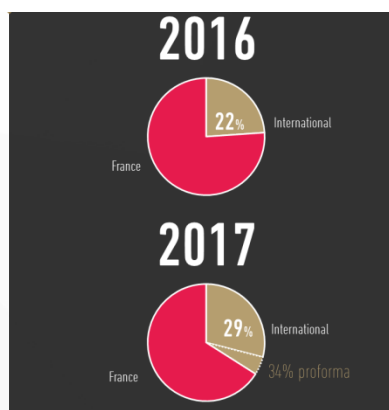
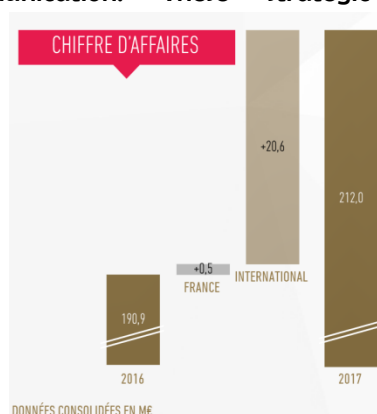
At constant exchange rate and scope, the turnover shows an increase of 4.9%. The activities of Star Republic were integrated from 1st May 2017 (1st September for Osudio).

SQLI had a very strong growth on strategic segments: omnichannel e-commerce (+75 %), mobility (+11 %), web solutions (+24%), with a selective management of technical assistance in order to prioritize margins against volumes, like in 2016. The growth is due to a strong development (more than 35%) of e-commerce platforms-related services, marketing and digital communication. These strategic

activities also benefited from an increase of major projects (each of them employing 50 engineers) and allowed to gain new prestigious clients like Arcelor, Generali and Michelin.

The results of international business (France ex.) account for 62.4 M€ in the consolidated turnover of 2017, i.e. 29.4% of the total turnover (34% with the integration of STAR REPUBLIC and OSUDIO on 12 months), compared to 41.8 M€ or 21.9% in 2016).

The main factor of turnover increase in 2017 was the international expansion with 20.6 M€ of growth in 2017 (including 8.8 M€ of organic growth and 11.8 M€ brought by acquisitions).



Operating charges

In 2017, the operating charges include staff costs for 64.6 % (66.3 % in 2016) and external

costs for 31.7 % (28.9 % in 2016), amounting to a total 96.3 %.

Staff costs

Staff costs amount to 133,853 K€ against 120,906 K€ for the previous year, representing a increase of 10.7%, consistent with the increase of total turnover.

The average staff number amounts to 2,167 against 1,949 for the previous year, which represents a variation of 11.2%.

Table 25. Evolution of staff and staff costs

<i>(Data in thousands of euros)</i>	2017	2016	Variation
Wages and allowance	96,799	86,624	10,175
Social costs	34,934	34,132	802
Participation of employees	0	0	0
Staff costs	133,733	120,756	12,977
Provision for retirement compensations and other benefits	120	150	-30
			0
Total Staff costs	133,853	120,906	12,947
Average staff (trainees ex.)	2,167	1,949	218
	-	-	
Staff registered at 1st January (trainees excluded)	2,020	1,875	145
Scope variations	228	22	206
Increase (decrease)	24	123	-99
Staff registered at 31 December (trainees excluded)	2,272	2,020	252

External costs

External costs increased between 2016 and 2017, with an increase of outsourcing use (+10,021 K€).

Table 26. Evolution of external costs

<i>(Data in thousands of euros)</i>	2017	2016	Variation
Global outsourcing	42,978	32,957	10,021
Leasing and related costs	8,128	7,250	878
Maintenance and repairs	1,293	1,063	230
Insurance premiums	581	487	94
Various materials	604	296	308
Staff outside the company and fees	4,918	4,305	613
Advertising and external relationship	890	902	-12
Goods transportation	68	124	-56
Business trips, missions and receptions	4,565	3,849	716
Mailing and telecommunication costs	1,111	943	168
Bank services	240	215	25
Other external services	320	321	-1
Total external costs	65,696	52,712	12,984



9.1.2. MAIN FACTORS HAVING AN INFLUENCE ON THE OPERATING RESULT

For year ending on 31 December 2017, the turnover amounted to 211,960 K€ (190,909 K€ in 2016), representing a 11% increase. The main factor of turnover increase in 2017 was the international expansion with 20.6 M€ of growth in 2017 (0.5 M€ for France).

9.1.3. MAIN CHANGES IN THE NET TURNOVER AND NET CONSOLIDATED PRODUCTS

The changes related to the company revenues are detailed above and in "*Turnover*" of paragraph 9.2.1 "*Evolution of the consolidated operating result*"

9.1.4. GOVERNMENT ACTION, ECONOMICS, BUDGET, CURRENCY AND POLICY-RELATED RISKS

As explained in paragraph 4.3.4. "Government action, economics, budget, currency and policy-related risks", there is no existing risk related to government action, economics, budget, currency or policy which has does or will threaten the company, its activities, its financial situation and profitability.



Chapitre 10. FUNDS AND CAPITAL

CONSOLIDATED OWN EQUITY

At 31 December 2017, the own equity total amount was 78,539 K€ against 78,752 K€ at 31 December 2016. The distribution of dividends (3,418 K€) in 2017 is mainly compensated by 2017 global result (1,281 K€) and the capital increases related to BSAAR issue (1 525 K€).

Table 27. Variation of shareholders' equity in the last three years

<i>Data in thousands of euros</i>	Number of shares	Equity	Premium	Reserves	Year result	Translation & actuarial differences	Group share	Own Equity Minority shareholders	Total
Situation at 31/12/15	3,685,916	2,949	37,309	27,253	3,555	1,575	72,641		72,641
Income appropriation				1,326	-1,326				
Dividend allocation					-2,229		-2,229		-2,229
Exercise of BSAAR	163,851	131	2,316				2,447		2,447
Group Saving Plan	7,156	6	200				206		206
Stock options allocation			35				35		35
Self-control			-599				-599		-599
Other				-13			-13		-13
Comprehensive income of the period					6,212	52	6,264		6,264
Assessment at 31/12/16	3,856,923	3,086	39,261	28,566	6,212	1,627	78,752		78,752
Income appropriation				2,794	-2,794				0
Dividend allocation					-3,418		-3,418		-3,418
Exercise of BSAAR	97,432	78	1,447				1,525		1,525
Group Saving Plan	5,183	4	156				160		160
Stock options allocation			122				122		122
Self-control			117				117		117
Comprehensive income of the period					1,974	-693	1,281		1,281
Situation at 31/12/17	3,959,538	3,168	41,103	31,360	1,974	934	78,539		78,539



SOURCE, AMOUNT AND DESCRIPTION OF CONSOLIDATED CASH FLOW

At 31 December 2017, the Group available cash flow amounts to 19,225 K€ (2016: 4,680 K€). This increase is essentially due to the 39,790 K€ loan issue compensated by scope variations

(mainly, the firm price settlement for Osudio and Star Republic acquisition) amounting to - 21,465 K€.

Table 28. SQLI consolidated cash flow

<i>(Data in thousands of euros)</i>	2017	2016	Variation
Cash flow due to operational activities	8,173	-2,731	10,904
Cash flow on investment activities	-24,910	-2,902	-22,008
Cash flow on financing activities	31,720	-5,758	37,478
Cash flow fluctuation	14,983	-11,391	26,374
Cash flow and equivalent at 1st January	4,680	16,031	-11,351
Effect of currency rates fluctuation	-438	40	-478
			0
Cash flow and equivalent at 31 December¹	19,225	4,680	14,545

¹ The comparison between the net cash position and equivalents exposed in the balance sheet, and the amount of net cash flow exposed in the cash flow variation chart is presented below : Cash flow and equivalents (19,276 K€) with deduction of overdrafts (51 K€), allowing to get the net cash flow within the cash flow variation chart (19,225 K€) at 31 December 2017.



10.1.1. CONSOLIDATED OPERATING CASH FLOW

The consolidated operating cash flows increased by 10,904 K€ thanks to the positive variation of other current assets and liabilities (11,941 K€).

Table 29. Consolidated operating cash flow

<i>(Data in thousands of euros)</i>	2017	2016	Variation
Consolidated net result	1,974	6,212	-4,238
Net allowance to depreciation and provisions ⁽¹⁾	3,140	1,460	1,680
Calculated charges (income)	197	-5	202
Transferred capital gain and loss	-59	-514	455
Self-financing capacity generated by activity (ex. cost of financial debt and taxes)	5,252	7,153	-1,901
Cost of financial debt	1,181	582	599
Tax liability (deferred taxes included)	1,448	4,093	-2,645
Self-financing capacity generated by activity (inc. cost of financial debt and taxes)	7,881	11,828	-3,947
Variation of customers	-3,902	-4,482	580
Variation of suppliers	2,332	148	2,184
Variation of other current assets and liabilities	4,418	-7,523	11,941
(paid) reimbursed Corporate Tax ⁽²⁾	-2,556	-2,702	146
Cash flow due to operational activities	8,173	-2,731	10,904

Note: ⁽¹⁾ Excluding provisions related to current assets.

⁽²⁾ Including 1,653 K€ of CVAE.



10.1.2. CONSOLIDATED INVESTMENT CASH FLOW

Cash flow on investment activities are increasing due the firm price payment for the securities of STAR REPUBLIC (6,670 K€) and

OSUDIO (16,735 K€), net of cash acquired (1,940 K€).

Table 30. Cash flow on investment activities

<i>(Data in thousands of euros)</i>	2017	2016	Trend 2017 vs. 2016
Acquisition of fixed assets	-3,607	-3,135	-472
Transfer of fixed assets	162	843	-681
Scope variation ¹	-21,465	-610	-20,855
Cash flow on investment activities	-24,910	-2,902	-22,008

10.1.3. CONSOLIDATED FINANCING CASH FLOW

The consolidated financing cash flows decreased by 37,478 K€ compared with last year. The minor capital increases in 2017 (-968 K€) and higher dividend payments (-1 188 K€ paid in addition to the dividends paid in 2016), as well as paid interests (+577 K€) between the two years are more than offset par the loan issues made in 2017 (39,790 K€).

Table 31. Consolidated financing cash flow

<i>(Data in thousands of euros)</i>	2017	2016	Variation
Capital Increase	1,685	2,653	-968
Dividends paid to the shareholders of the controlling company	-3,417	-2,229	-1,188
Loan issue	39,790	0	39,790
Acquisition (transfer) of treasury shares	117	-599	716
Loan repayment	-5,361	-5,066	-295
Paid interests	-1,094	-517	-577
Cash flow on financing activities	31,720	-5,758	37,478

¹ Firm price payment for the securities of STAR REPUBLIC (6,670 K€) and OSUDIO (16,735 K€), net of cash acquired (1,940 K€).



LOAN CONDITIONS AND FINANCING STRUCTURE

10.2.1. CONSOLIDATED DEBT

The gross financial debt amounts to 44,836 K€ at 31 December 2017, against 14,845 K€ at the end of the previous year.

Table 32. SQLI gross financial debt during the last two years

<i>(Data in thousands of euros)</i>	2017	2016	Variation
Repayable advances		22	-22
Loans toward credit institutions	42,050	7,543	34,507
Restatement of lease contracts	226	115	111
Valuation of rate hedging instruments		25	-25
Other non current liabilities	42,276	7,705	34,571
Loans toward credit institutions	1,895	1,987	-92
Restatement of lease contracts	173	113	60
Received security deposits	21	21	0
Current bank lendings	51	4,893	-4,842
Accrued interest not due	308	113	195
Valuation of rate hedging instruments	112	13	99
Current liabilities	2,560	7,140	-4,580
Total of gross financial debt	44,836	14,845	29,991

Financial debt consists essentially of loans toward credit institutions. In 2017, SQLI contracted 3 new loans for its investment program, including a credit agreement of 33 M€ with BNP Paribas and a bank pool.

Bank	Available from	Duration (years)	Period rate	Position end of 2016	Subscription Withdrawing	Repayment	Position end of 2017
Palatine	12/2014	5	EUR 3 +1.50%	4,530	0	-4,530	0
BPI France	11/2014	7	2.84 %	2,500	0	-500	2,000
BPI France	11/2014	10	4.43 %	2,500	0	0	2,500
BPI France	03/2017	7	1.57 %	-	5,000	0	5,000
BPI France	03/2017	7	1.57 %	-	2,000	0	2,000
BNP	03/2017	7	EUR 12 +3.15 %	-	7,864 ¹	0	7,864
BNP	05/2017	6	EUR 3 +2.30% ²	-	6,881 ³	0	6,881
BNP	09/2017	6	EUR 3 +2.30% ²	-	17,694 ⁴	0	17,694

¹ Withdrawal of 8,000 K€ with deduction of 136 K€ borrowing costs spread of the duration of the loan. Repayment in fine March 2024

² Applied margin from 2.30% to 1.25% according to the Net financial debt/consolidated EBITDA ratio.

³ Withdrawal of 7,000 K€ with deduction of 119 K€ borrowing costs spread of the duration of the loan. Annual repayment of 1.1 M€ until 2022 and 1.8 M€ in March 2023.

⁴ Withdrawal of 18,000 K€ with deduction of 306 K€ borrowing costs spread of the duration of the loan. Annual repayment of 3.4 M€ until 2022 and 4.5 M€ in March 2023.



Total	9,530	39,439	-5,030	43,939

Credit agreement with the bank pool

The loans (cumulative amount of 33,000 K€) result from a credit agreement dated 16 March 2017 concluded with BNP Paribas and a bank pool.

These loans have been contracted to (i) repay existing bank loans, (ii) consolidate the Group working capital and (iii) finance external growth operations.

The loans balance is 32,439 K€ at 31 December 2017.

The loans dedicated to external growth operations are guaranteed by a pledge on the securities of the companies purchased by SQLI as part of these external growth operations.

Bank loan of 5 000 K with BPI France Financement:

Available from March 2017

Duration: 7 years - fixed rate 1.57% / year

The principal repayment will be made in 20 quarterly payments at the end of the month, with the capital being depreciated on a straight-

line basis, after a 24 month deferred period during which only interests will be perceived.

This loan didn't generate any security right or personal guarantee.

"Croissance" loan of 2500 K€ with BPI France Financement:

Available from 13 November 2014

Duration: 7 years - fixed rate 2.84 % / year

The principal repayment will be made in 20 quarterly payments at the end of the month, with the capital being depreciated on a straight-line basis, after a 24 month deferred period during which only interests will be perceived.

This loan didn't generate any security right or personal guarantee.

This loan is attached to a hold back of 125 K€.

The loans balance is 2,000 K€ at 31 December 2017.

"Avenir" loan of 2500 K€ with BPI France Financement:

Available from 13 November 2014

Duration: 10 years - fixed rate 4.43 % / year

The principal repayment will be made in 28 quarterly payments at the end of the month, with the capital being depreciated on a straight-

line basis, after a 36 month deferred period during which only interests will be perceived.

This loan didn't generate any security right or personal guarantee.

Bank loan of 2,000 K with BPI France Financement:

Available from March 2017

Duration: 7 years - fixed rate 1.57% / year

The principal repayment will be made in 20 quarterly payments at the end of the month, with the capital being depreciated on a straight-

line basis, after a 24 month deferred period during which only interests will be perceived.

This loan didn't generate any security right or personal guarantee.





10.2.2. DEBT MATURITY

The following chart presents SQLI debt situation according to payment deadlines.

For more information, see Chapter 10.4. *"Possible restrictions on the use of capital"*.

Table 33. Gross financial debt per deadline

<i>(Data in thousands of euros)</i>	2017	2016
Due within one year	2,560	7,140
Due between 1 and 5 years	26,105	6,634
Due in more than 5 years	16,714	1,071
Total of gross financial debt	44,836	14,845

10.2.3. NET FINANCIAL DEBT

SQLI has a net financial debt of 25,560 K€ in the end of 2017, with an increase of 20,288 K€ despite the 9,703 K€ rise in the available cash flow.

Table 34. SQLI net financial debt during the last two years

<i>(Data in thousands of euros)</i>	2017	2016	Variation
Total of gross financial debt	44,836	14,845	29,991
Cash flow and equivalents	-19,276	-9,573	-9,703
Total of net financial debt	25,560	5,272	20,288



10.2.4. POSSIBLE RESTRICTIONS ON CAPITAL USE

Restrictions and warranties related to banking loans

Credit agreement of 4 December 2014

Following the repayment of 7 M€ credit line contracted with a bank pool including banque Palatine, BNP Paribas, Société Générale, Caisse d'Epargne et de Prévoyance Bretagne Pays de Loire and Crédit Lyonnais, all the granted securities were released, including the pledge of ECOMMERCE4U, WAX INTERACTIVE LILLE and WAX INTERACTIVE securities.

Credit agreement of 33 M€ with BNP Paribas and a bank pool

The 33 M€ credit agreement includes several cases of anticipated collectability, regarding, among others, failure to comply with the following financial ratios:

R2 = Net financial debt/consolidated EBITDA ratio :

	31/12/2017	31/12/2018	31/12/2019	31/12/2020	31/12/2021
R2 <	3,00x	3,00x	2,75x	2,50x	2,25x

R4 = Net financial debt / Own equity ratio < 1 for each of the years 2017 to 2021.

These ratios have been respected at 31 December 2017.

As a guarantee for the repayment of the 33 M€ debt, SQLI as given to BNP a pledge of all the securities of STAR REPUBLIC and OSUDIO HOLDING BV.

On 18 December 2015, SQLI announced the early repayment on 20 January 2016 of the last portion of the bond loan. The representent of the bond owners confirmed on 23 December that this announcement caused the early repayment clause to be invalid since the contractual financial ratios had not been respected.

EXPECTED SOURCES OF FUNDING NEEDED TO MEET THE GROUP COMMITMENTS

The company declares that the firm commitments are related to significant investments and that current investments, exposed in paragraph 5.2 "*Investments*" will be respected thanks to the group available revenues amounting to 19.3 M€ on 31 December 2017.



TRADEMARKS, PATENTS, LICENSES AND INTELLECTUAL PROPERTY PROTECTION POLICY

SQLI does not have any dependence on patents or licenses essential for its activity. The Groups key brands (SQLI, SQLI ENTREPRISE and WAX INTERACTIVE but also OSUDIO, STAR REPUBLIC and INVENTCOMMERCE) are protected in Europe.

All the brands belong to SQLI. There is no existing item owned by the company managers or their families. All legal forms of

protection of the trademarks, domain names and the copyright have been carried out to the benefit of SQLI or its subsidiaries.

SQLI and its subsidiaries benefit from the copyright protection, enforced by the law of 3 July 1985, on all their software solutions and training aids. Major works have been deposited with a bailiff or with specialized depositories.

RESEARCH & DEVELOPMENT RELATED ACTIVITY

Since it was created, SQLI always tried to support its customers in the new technologies application. SQLI group has always been a precursor when it comes to adaptation and integration of new technologies.

In 2017, the group carried on new research projects in the following fields:

- Devops, IA, IOT, ...
- Anticipation of recruitment needs focused on digital experts
- Sentiment analysis on email data
- Big Data: Data sensitive Creation of an intelligent algorithm following the real time variation of external environment;
- Big Data: Chatbot, intelligent conversational agent;
- R&D works around Linky meter;
- Hololens : Space measure & Gesture: design of 3D model technology building block compatible with Hololens technology as well as gestures (specific movements) which seem the most intuitive for users to manipulate objects.

The R&D tax credit for 2017 amounts to 2,546 K€, and was subject to a non deductible provision of 30% of the amount.

In 2017, R&D expenses, which consisted in staff costs of researchers and functioning costs,

accounted for about 5.7 % of annual turnover (Bef. tax).

Furthermore, the innovative capacity of SQLI has been recognized by BPI France agency, being rewarded with the label of innovating company in September 2004, December 2007, April 2011 and May 2014.

This "Innovative Company" label allows innovation funds (FCPI) to purchase SQLI shares and allocate this investment as part of its compulsory investment in innovative companies. This label was valid until 28 May 2017.



MAIN TRENDS WITH AN EFFECT ON BUSINESS IN 2013

At the present Reference Document date, SQLI activity remains stable.

SQLI didn't register any event occurred after the accounts closure which could modify them at 31 December 2017.

FACTORS LIKELY TO AFFECT SQLI PERSPECTIVES

On 14 June 2016, SQLI presented the MOVE UP 2020 plan with a press communicate. This new plan's objective is to make from SQLI the European leader of connected experience. SQLI wants to become a reference partner of major companies who want to develop digital and customer experience. This plan includes demanding development objectives in order to carry on the value creation started with Ambition for 2006.

Broadly, the Group development plan will rely on the consolidation of internal skills, with a talent workforce growing from 2000 to 3000 people, 1000 of which will be part of the Innovative Service Centers.

After Ambition 2016 which aimed at

- Average annual growth higher than 10% for all the plan duration (including organic growth and external growth);
- EBITDA margin¹ higher than 12% at the end of the plan.

CONFIRMATION DE NOS OBJECTIFS



These objectives are based on a strategy essentially focused on organic growth completed with external growth targeted

operations. SQLI wants to become an active player of the sector consolidation movement.

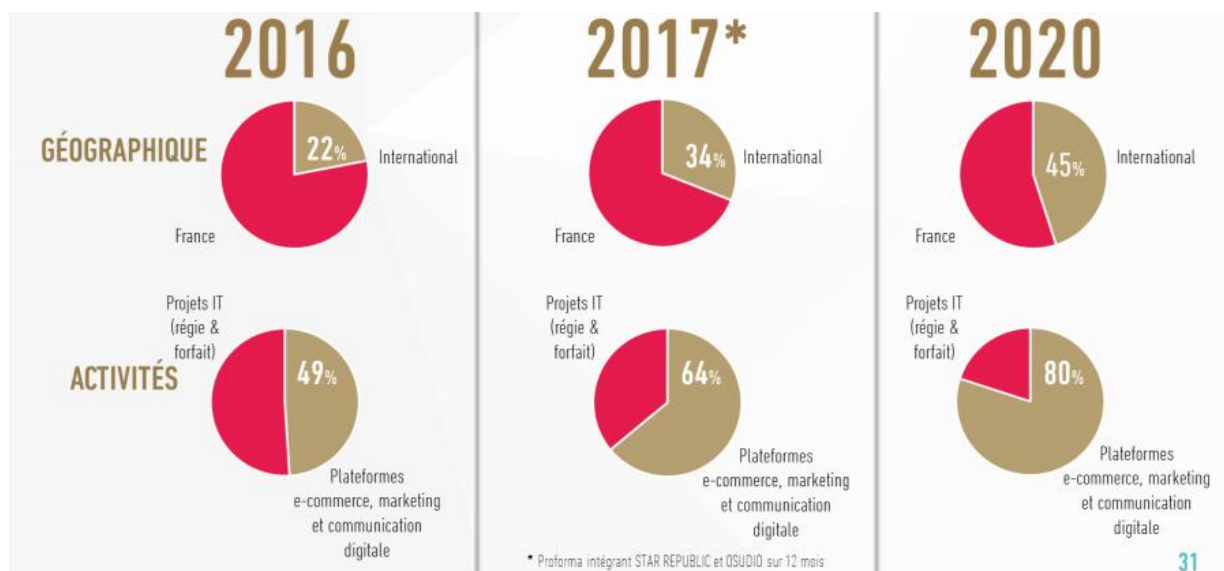
¹ EBITDA = current operating result + Net allowance to depreciation and provisions

The Group objectives are based on 5 performance levels:

1. A strategic mix allowing a better connection to the clients needs and requirements. The digital offer must grow from 40 to 70% of global turnover (or even 80%);
2. International development, to select the best markets with good profitability opportunities for digital activities. The Group wants to focus on North-European markets which have higher margins and about 45% of revenues coming from international activities.
3. Influence, for a better connection with key clients. With SQLI Consulting, the Group wants to attract and promote opinion leaders in order to gain a new positioning and improve client relationship management;

4. Skills, to better fit with reality, challenges and clients needs. SQLI will help major European brands to implement their digital platforms abroad by relying on the Group Innovative Service Centers located nearshore and offshore;
5. Execution, to guarantee operational excellency. The Group keeps improving its structure and organisation in order to improve performance and profitability.

Each of these levels must bring about 1 EBITDA margin point and compensate the investments made to finance this ambitious strategy. The expected increase of margin benefits will come from a better sales mix (higher added-value offers in higher margin locations) and the applications of management best practices.



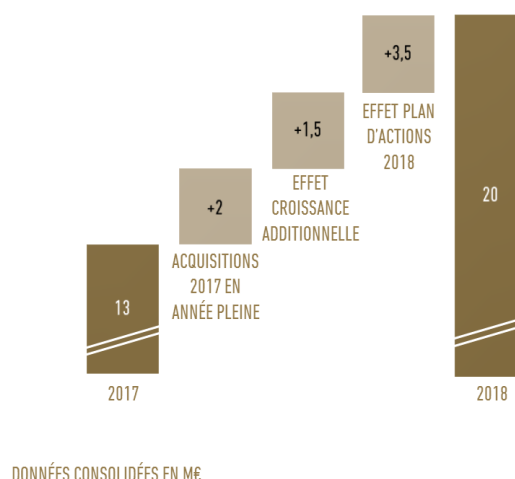
During the last result announcement of 29 March 2018, Didier FAUQUE, CEO, presented the following points:

- Targeted EBITDA : ¹ about 20 M€, considering :
 - EBITDA 2017 of 13.2 M€ consisting in :
 - 10.9 M€ of current operational result in 2017;
 - 2,361 K€ of net allowance to depreciation and provisions in 2017;
 - 2 M€ for the full year integration of the acquisitions of Star Republic and Osudio;
 - 1.5 M€ for the impact of additional growth on the results;
 - The expected effect of the 2018 action plan for 3.5 M€

SQLI ambition is to reach a turnover of at least 240 M€ in 2018 and an EBITDA of 20 M€.

In order to reach this objective, SQLI intends to increase international revenues and the average daily rate, and to regain contribution of the Paris agency following a plan of actions under progress. The amount of extraordinary charges is expected to show a significant fall.

SQLI also confirms its expectation of EBITDA regular progress, in order to reach 12% of the turnover, following the Move Up 2020 plan. The company results between now and 2020 will be critical to assert SQLI position as a potential leader of the connected commerce market.



Details on the company strategy and vision are given in Chapter 6. *"General survey of the company activities"*.

As far as the Group is concerned, there is no existing factor likely to have a significant impact on the company perspectives.

¹ EBITDA = current operating result + Net allowance to depreciation and provisions



Chapitre 13. PROFIT EXPECTATIONS AND ESTIMATE

SQLI chose not to include profit expectations or expectations in this report.



GENERAL INFORMATION

The Executive Board decided on 7 July 2010 to separate the mandates of President of the Executive Board and CEO.

14.0.1. HEAD MANAGERS

The CEO is assisted by two Delegated Executive Officers: Nicolas Rebours, appointed by the Executive Board on 30 June 2008, and reappointed by the Board on 25 June 2014, and Thierry Chemla, appointed by the Executive Board on 14 January 2014 and reappointed by the Board on 28 June 2017.

Didier Fauque replaced Julien Mériaudeau as SQLI new CEO on 7 May 2013. His mandate was renewed until 31 December 2020 by decision of the Board on 28 April 2016.

At the date of the present document, the Company head managers are the following :

- Monsieur Didier FAUQUE, Chief Executive Officer;
- Monsieur Nicolas Rebours, delegated Executive Officer (and Executive and Financial director of the group)
- Monsieur Thierry Chemla, Delegated Executive Officer (and Director of SQLI Group Strategy and Development).

14.0.2. MEMBERS OF THE EXECUTIVE BOARD

At the date of the present document, the Executive Board members are :

- Monsieur Roland Fitoussi, Chairman of the Executive Board;
- Madame Véronique Reille-Soult de Dalmatie, member of the Executive Board;
- Monsieur Hervé de Beublain, member of the Executive Board;
- Monsieur Didier Fauque, member of the Executive Board.

Didier FAUQUE was appointed as a new Board member after Julien Mériaudeau resignation on 15 May 2013. This decision was confirmed by the General Assembly of 26 June 2013.

Monsieur Roland Fitoussi has been appointed Executive Board Chairman on 14 June 2011. His mandate was renewed by decision of the Board on 25 June 2014 submitted to the approval of the General Assembly on the same date.

Véronique Reille-Soult de Dalmatie was appointed director by the General Assembly of 25 June 2014, replacing Fabienne Conte.

Hervé de Beublain was reappointed by the General Assembly on 28 June 2017 for a new mandate of 6 years ending with the General Assembly called to assess the financial statements for the financial year ending on 31 December 2022.

On 28 June 2017, the General Assembly decided that Bernard Jacon mandate ending on 28 June 2017 would not be renewed and replaced.

At the date of the present document, The mandates and functions held by the Executive board members are the following:

Table 35. Remuneration and benefits of the Board members



**First and last name
of executive officers
and managers**

Business address

**Age and amount of
held shares**

Function

Mandate starting date

Mandate ending date

**Other mandates exercised in 2011 and in the
last five years**

Roland Fitoussi

Age: 73 years

Number of shares
453,462

EB member and Chairman

Mandate starting date: Executive
Board member since 30 June 2008
Reappointed on 25 June 2014

Chairman since 14 June 2011

Mandate expiry date: General
Assembly presiding on year ended 31
December 2019

Other current mandates

President of Sethi

Manager of Immobilière Fénélon

Manager of HIP Fénélon

**Other mandates exercised in the last five
years**

Honorary chairman of Solving Efeso International
Supervisory Board

Executive board member of Bohlin & Strömberg

Executive board member of Solving Iberica

Executive board member of Solving Spa

President of Solving International North America

President of Solving Efeso International Board

Executive Board member of Alcor Développement

**Véronique Reille-
Soulé de Dalmatie**

Age : 53 years

Number of owned
shares: 0

Executive Board member

Mandate starting date: 25 June 2014

Mandate expiry date: General
Assembly presiding on year ended 31
December 2019

Other current mandates

President of Boutique Factory SAS

Head Manager of Dentsu Aegis Network France

**Other mandates exercised in the last five
years**

President of 910*

Hervé de Beublain

Age: 58 years

Number of owned
shares: 25,664

Executive Board member

Mandate starting date: 14 June 2011

Mandate expiry date: General
Assembly presiding on year ended on
31 December 2022

Other current mandates

Member of Movies Benelux EB

Member of Legris Industries SA Group Supervisory
Board

President of FD5 SAS, BDB SAS & Platinum Gestion

**Other mandates exercised in the last five
years**

Member of Member of Constellation Network SAS
Supervisory Board

CEO of NextStage SAS (NS)

Observer of Gruau SA

President of Augier Passy SAS



		Chairman of the Supervisory Board Fillon Participations SAS EB member of S.E.V SA EB member of PEI SA Member of Frégate SAS Strategic Committee Chairman of Fd5 SA Governing Board Member of Holding Lagoutte Supervisory Board Member of KXEN Inc. Board NS permanent representative, EB member Cabinet Roux Permanent representative, Member of Asset International Holding SAS and Accorus SAS Strategic Committees NS Permanent representative. Executive Board member Resto-in SA, First SA NS Permanent representative, Member of Alyotech SAS, Alyotech Consulting SAS, Quadriplay SAS, Inovasol SAS, Elbee SAS, HTI SAS, Hippo SA, Arma + SAS Supervisory Board
Bernard Jacon Age: 74 years Number of owned shares: na	Executive Board member Mandate starting date: 14 June 2011 Mandate expiry date: mandate expired in 2017 and not renewed by the General Assembly of 28 June 2017	Other current mandates: Manager of LVCT SARL Other mandates exercised in the last five years: EB member of Press Index
Didier Fauque 166, rue Jules Guesde – 92300 Levallois-Perret Age: 54 years Number of owned shares: 10,220	CEO and EB member Mandate starting date: CEO since 7 May 2013 Executive Board member Cooptation on 15 May 2013 / ratification on 26 June 2013 Reappointed on 25 June 2014 Mandate expiry date: Executive Board member General Assembly presiding on year ended 31 December 2019	Other current mandates (beside IQLI group) President of WADI Management SAS Comanager of Wadi Investment SPRL Other mandates exercised in the last five years: None



Table 36. Mandates and functions of Head Managers during the year

For M. Didier Fauque, see previous table.

First and last name of executive officers and managers	Function	Other mandates exercised in 2011 and in the last five years
Business address	Mandate starting date	
Age and amount of held shares	Mandate ending date	
Nicolas Rebour	Delegated Executive Officer	Other current mandates:
166, rue Jules Guesde	Executive and Financial Manager	None
92300 Levallois-Perret	Mandate starting date:	Other mandates exercised in the last five years:
Age: 57 years	30 June 2008	
Number of owned shares: 53	Mandate expiry date:	None
	His mandate was renewed by decision of the Board on 25 June 2014 until the date of the Shareholders' Meeting called to assess the financial statements for the financial year ending 31 December 2019.	
Thierry Chemla	Delegated Executive Officer	Other current mandates:
166, rue Jules Guesde	Director of Strategy and Development	None
92300 Levallois-Perret	Mandate starting date:	Other mandates exercised in the last five years:
Age: 53 years	14 January 2014	
Number of owned shares: 0	Mandate expiry date:	None
	General Assembly presiding on year ended 31 December 2019	

There is no existing family relationship between the members of the Executive Board.

During the last five years SQLI didn't have any Manager or Executive Officer who:

- Was convicted for fraud, accused or punished by the regulatory and statutory authorities ,

- Was involved in a bankruptcy, sequestration or liquidation as a member of the Executive, Governing or Supervisory Board, or an active partner or founder,

- Had its business activity, role or action stopped by a court, as a member of the Executive, Governing or Supervisory Board.



14.0.3. EXECUTIVE OFFICERS PROFILE

Monsieur Roland Fitoussi

Telecommunications Engineer, and graduated in Economics.

Before being an Executive officer within SQLI Executive Board, Roland Fitoussi was vice-president of SQLI Supervisory Board since 2002.

In 1980, after several years in consulting business, he created Solving International, a strategy and management consulting firm (which entered the junior stock market in

1998). He also has other functions inside Solving International group : CEO of Solving International North America, Executive officer of Bohlin & Strömberg, and of Solving Iberica. He is also a manager in HIP Fenelon and SETHI company.

He published two books: « Gagner dans la cour des géants » (1991) and « Conquérir les marchés du XXIème siècle » (1995).

Véronique Reille-Soult de Dalmatie

Véronique Reille-Soult de Dalmatie, 51 years old, has been the founder and President of 910* since its creation. This company is the first consulting agency specialized in reputation management and interactive influence, as well as a pioneer in conversational devices and influence strategies.

She was formerly CEO of Hopscotch, a communication group of 9 companies, specialized in social web and on line influence strategies.

Being a digital communication and social networks expert, Véronique Reille-Soult de Dalmatie is regularly interviewed in large audience medias.

Monsieur Hervé de Beublain

Graduated at ESSEC (1981) and ENA (1986)

Hervé de Beublain worked within the Ministry of Industry during 4 years, first as a deputy member and then as Manager of the Economy and Finance Department of the Hydrocarbons Division. In 1990, he was appointed Deputy Director of Baring Brother before becoming

Partner of the company. He acted as a consultant regarding mergers and acquisitions in France and abroad. In 1995, he created FD5, an investment funds (60 M€ of own equity today) of which he still is the President. Since 2004, Hervé De Beublain is CEO and Partner of NextStage.

Monsieur Bernard Jacon

Engineer. Graduated in Sciences.

Bernard Jacon started his career at IBM France in 1968. He became member of the Governing Board in 1988 and was put in charge of all service activities, Telecom unit and subsidiaries development. Later, he became manager of IBM business for professional services at European level during 4 years.

Then, he created his own company and worked 5 years on SSII companies bridging activity. He became member of Société PressIndex Executive Board.

He assisted in the development of various start up companies, especially within the "Entreprendre" network.



Monsieur Didier FAUQUE

Graduated from European Business School Paris.

Didier Fauque was previously CEO of IBM Global Business Services in France.

In this function, he helped developing Consulting and Integration activities from 2011.

He also served as vice-President of IBM Sectors and Systems & Technology Group.

14.0.4. HEAD MANAGERS PROFILE

For M. Didier Fauque, see previous profile.

Monsieur Nicolas Rebours

Degree from Paris IX Dauphine University and certificate of Organization and Management of Accounting Expertise.

Nicolas Rebours was graduated in 1984 at Paris IX Dauphine University (Degree of Financing and Accounting) and got a certificate of Organization and Management of Accounting Expertise in 1985. He started his career as an auditor at Pricewaterhouse Coopers firm. From 1999 to 2000 he was successively Executive and Financial manager

in various AG and Atempo software publishers among which Dorotech, Software AG and Atempo, and worked for DSL Subiteo operator until 2001 and for In-Fusio, leading company for down loadable games on mobile phones.

In 2002, he entered SQLI as a Financial and Executive officer. He became Associate manager in June 2008 after having been member of the Governing Board from June 2002 to June 2008.

Thierry Chemla

Degree from the École Nationale Supérieure d'Informatique pour l'Industrie et l'Entreprise.

After several management positions at IBM, PricewaterhouseCoopers and BNP Paribas, Thierry Chemla was appointed vice-president Sales of IBM Global Business Services in 2010 and member of IBM France Governing board, where he supervised the operating management of all Sectors and a transformation project aimed at revitalizing the commercial performance of consulting and integration teams.



CONFLICTS OF INTEREST WITHIN THE EXECUTIVE, GOVERNING AND SUPERVISORY BOARDS

Except for the elements indicated in Chapter 19 of the present reference document "*Operations with related firms*" and related to the company various regulated conventions, as exposed in paragraph 16.5 "*Report on internal control and company governance*" there is no existing risk of conflict of interest between the functions of the persons presented in paragraph 14.1. "*General information*" and their private interests and/or other functions.

There has not been any agreement or settlement concluded with customers, suppliers or others leading to the appointment of one of the persons presented in paragraph 14.1 "*General information*" as members of the Executive Board or the Governing Board.

There is no existing retain undertaking or restriction accepted by any of the persons presented above, related to the transfer of their assets in the company.



Chapitre 15. REMUNERATION AND BENEFITS

Remuneration and benefits in kind granted to executive officers and executive head managers, free shares, stock options, performance shares, including free shares and warrants, along with all remuneration

information, are included in the Executive Board report on Company governance, presented in paragraph 16.5.1. "*Chairman report on the Executive Board functioning and the internal control procedures*".

Funds provisioned or recorded by SQLI or its subsidiaries and distributed as annuities, retirement of other benefits

None.



Chapitre 16. ORGANIZATION OF EXECUTIVE AND GOVERNING BODIES

HEAD MANAGERS AND EXECUTIVE BOARD OF THE COMPANY

16.0.1. THE COMPANY GOVERNANCE

At the date of the present document, the Company head managers are the following :

- Monsieur Didier FAUQUE, Chief Executive Officer;
- Monsieur Nicolas Rebours, Delegated Executive Officer (and Executive and Financial Director of SQLI).
- Monsieur Thierry Chemla, Delegated Executive Officer (and Director of SQLI Group Strategy and Development).

Procedures related to the Company management

The provisions regarding the Company management and in particular the limits to head managers powers are presented below.

In the Articles of association

The procedures regarding the company management detailed in the company Articles of association, and especially Article 16, are

included in paragraph 21.2.2. "*Measures related to the Governing, Executive and Supervisory Boards*"

In the Internal work regulations

he procedures regarding the company management are detailed in the new Executive Board work regulations, enforced by the Executive Board on 22 September 2011 after the recomposition of the Board during

the General Assembly of 14 June 2011. They are exposed in paragraph 21.2.2. "*Measures related to the Governing, Executive and Supervisory Boards*"

16.0.2. THE COMPANY MANAGEMENT

Members of the Executive Board

The composition of the Executive Board is detailed in paragraph 14.1.2. "*Members of the Executive Board*"



Provisions related to the Board composition

The procedures regarding the company management detailed in the company Articles of association, and especially Article 14, are

included in paragraph 21.2.2. "*Measures related to the Governing, Executive and Supervisory Boards*"

16.0.3. INFORMATION ON THE EXECUTIVE BOARD COMPOSITION

Independent Executive Board member

Evaluation criteria

The criteria used to qualify and Independent Executive Board member are those of

AFEP/MEDEF corporate rules, which the Company decided to adopt.

Evaluation by the Executive Board

This Information is included in the Executive Board Chairman report presented in paragraph 16.5.1. "*Chairman report on the*

Executive Board functioning and the internal control procedures"

Number of shares held by an Executive Board member

Holding a share of the company is not compulsory anymore for the Executive Board members, following the statutes amendment

decided by the General Assembly met on 16 June 2009.

Executive managers elected by the staff

Alinea 4 of article 14. "*Executive Board*" of the company statutes are related to the Executive managers elected by the employees:

"4 –Executive managers elected by employees.

If the report presented by the Executive Board during the General Assembly stipulates, in compliance with article L.225-102 of the French Commercial Code, than the shares held by the employees of the Company and its affiliates, according to Article L.225-180, account for more than 3% of the share capital, one or more Executive managers have to be elected by the General Assembly after the suggestion of shareholder workers.

At least two months before the General Assembly, the Executive Board asks the employees to choose candidates. The Executive Board chairman receives the written suggestions of the staff in order to choose a candidate. To be receivable, the candidates have to represent at least 5% of shareholder workers. This procedure is recorded in a minute containing the number of votes for each candidate. The list of all chosen candidates is made and communicated to the Executive Board. "

At 31 December 2017, the company does not include any Director elected by the Group employees.



Observers

At 31 December 2017, the Executive Board has not appointed any observer. The company managers consider unnecessary to appoint

observers as the number independent Executive managers in the Executive Board is big enough.

Role of the Executive Board

Statutory rules regarding the Executive Board

The statutory rules regarding the Executive Board are included in paragraph 21.2.2.

"Measures related to the Governing, Executive and Supervisory Boards"

The Executive Board work regulations

The new Executive Board work regulations have been voted by the Executive Board during the meeting of 22 September 2011, within the change of governance decision, after the new composition of the Executive Board adopted by the General Assembly on 14 June 2011.

These work regulations are likely to be modified by the Executive Board following the laws and regulations and its own functioning. The work regulations aim at:

- Identifying the formation, the organization, the role and powers of the Executive Board towards the

General Assembly by completing the existing legal procedures and statutes;

- Improving the efficiency of meetings, debates, and being a reference for the periodic valuation of the Executive Board functioning;
- Integrating the management of the Company in the rules guaranteeing the respect of corporate governance principles.

The composition of the Executive Board is detailed in paragraph 21.2.2. *"Measures related to the Governing, Executive and Supervisory Boards"*

Organization of the Executive Board during the year

The preparation and organization conditions of the Board are exposed in the Chairman report included in paragraph 16.5.1. *"Chairman*

report on the Executive Board functioning and the internal control procedures"



Distribution rules of attendance fees and individual compensations

The distribution rules of attendance fees are set in the Company Articles of association (in particular article 18. « *Remuneration of the Executive Board members* »).

"Article 18 - REMUNERATION OF THE EXECUTIVE BOARD MEMBERS

"The Executive Board members are remunerated with Attendance fees whose

amount is set by the Ordinary General Assembly meetings.

Extraordinary compensations can be allocated to the Executive Board members in compliance with the law. "

The attendance fees division for 2017 and 2016 is detailed in Paragraph 16.5.1 "*Chairman report on the Executive Board functioning and the internal control procedures*".

INFORMATION ON SERVICE CONTRACTS

Invoicing between SQLI and its subsidiaries or between the subsidiaries themselves mainly consist in service agreements and brand and technology royalties. These transactions are fully excluded of the consolidated accounts and considered as contracted in standard market conditions.

The contracts between the Executive and Governing Boards members and one of SQLI subsidiaries which imply advantages for these members are detailed in Chapter 19 "*Operations with related firms*" of the present reference document.

INFORMATION ON COMMITTEES

This Information is included in the Executive Board Chairman report presented in paragraph 16.5.1. "*Chairman report on the Executive Board functioning and the internal control procedures*"



STATEMENT OF COMPLIANCE WITH THE FRENCH CORPORATE GOVERNANCE SYSTEM

As decided by the Executive Board on 21 March 2013, the Company chose to comply with MiddleNext Corporate rules for listed companies in replacement of the AFEP-MEDEF from 1st July 2013.

In compliance with article L.225-37 alinea 7 of the French Commercial Code, the Chairman report on internal control and corporate governance presented below describes the rules which have not been respected and the explanations of this decision.



16.4.1. CHAIRMAN REPORT ON THE EXECUTIVE BOARD FUNCTIONING AND THE INTERNAL CONTROL PROCEDURES

Madam, Sir,

You will find below the SQLI first report on company governance, in application of Article 225-37, alinea 1 of the French Commercial Code, as amended by ordinance n° 2017-1162 on 12 July 2017.

This report presents all governance processes implemented by SQLI, information regarding mandates and functions of SQLI officers in other companies, information related to these officers compensation, including the project describing SQLI policy in terms of officers remuneration (say on pay) as well as details regarding factors likely to have a significant effect in case of public offering.

We wish to remind you that the Company relies on the MiddleNext corporate governance rules, which can be found on the company website and on MiddleNext. In compliance with article L.225-37-4 8° of the French Commercial Code, the current report describes the few MiddleNext Code rules which have not been applied by SQLI and the explanations of this decision.

The present report has been written with the help of the FMA guidelines (DOC-2014-14) "Guide d'élaboration des documents de référence adapté aux valeurs moyennes, de la recommandation de l'AMF DOC-2013-20" on 18 November 2013, the AMF Report on corporate governance and VaMPs managers compensation and of AMF DOC-2015-01 guideline of 22 November 2018 regarding company governance, managers remuneration and internal control and risk management procedures.

I. COMPANY GOVERNANCE

a) Management procedures of the head managers

The Executive Board decided on 7 July 2010 to separate the mandates of President of the Executive Board and CEO.

Roland Fitoussi has been appointed Executive Board Chairman on 14 June 2011. His Board member mandate was renewed by decision of the Board on 25 June 2014, and his Board Chairman mandate was also renewed by decision of the Board on 25 June 2014. His mandate will expire at the end of the General Assembly called to assess the financial statements for the financial year ending on 31 December 2019.

Didier Fauque has been appointed CEO on 7 May 2013. His mandate was renewed until 31 December 2020 by decision of the Board on 28 April 2016.



The CEO is assisted by two Delegated Executive Officers: (i) Nicolas Rebours, appointed by the Executive Board on 30 June 2008, and reappointed by the Board on 25 June 2014 until the date of the Shareholders' Meeting called to assess the financial statements for the financial year ending 31 December 2019, and (ii) Thierry Chemla appointed by the Executive Board on 14 January 2014, and reappointed by the Board on 28 June 2017, until the date of the Shareholders' Meeting called to assess the financial statements for the financial year ending 31 December 2019.

b) Members of the Executive Board

The following table describes the Executive Board members and committees, according to the Rule n°3 of the MiddleNext Code:

Name, Surname, Title/Function of Board members	Independent*	Mandate starting date	Mandate expiry date	Committee			
				Auditing	Remuneration	Strategy	Experience and expertise
Roland Fitoussi Member and Chairman of the Executive Board.	No, because of his reference shareholder position	30 June 2008 reappointed on 25 June 2014	General Assembly presiding on year ended 31 December 2019	Member		Member	
Véronique Reille-Soult de Dalmatie Executive Board member	Yes	25 June 2014	General Assembly presiding on year ended 31 December 2019			Member	
Hervé de Beublain Executive Board member	Yes	14 June 2011 (reappointed on 28 June 2017)	General Assembly presiding on year ended on 31 December 2022	Chairman	Member		Expert in the financial and accounting field
Didier Fauque Executive Board member	No, because of his CEO mandate	15 May 2013 (cooptation) Reappointed on 25 June 2014	General Assembly presiding on year ended 31 December 2019			Member	
Bernard Jacon Board member <u>between 1st January 2017 and 28 June 2017</u>	Yes	14 June 2011	Mandate expired at the end of the General Assembly presiding on year ended 31 December 2016		Bernard Jacon remained a member of the Audit Committee after the end of his Board member mandate. He is now an independent external member.	Bernard Jacon remained a member of the Audit Committee after the end of his Board member mandate. He is now an independent external member.	

* The role of independent member as been controlled by the Executive Board on 27 March 2018 and is compliant with Rule n°3 of Middlednext corporate governance code (cf. infra).



c) Principle of equal representation of men and women within the Executive Board

SQLI takes into account the Principle of equal representation of men and women within the Executive Board. SQLI is also compliant with Article L 225-18-1 of the French Commercial Code requiring that the difference between the number of members of each gender cannot be more than 2 when the Board has 8 members at the most.

d) Conditions of preparation and organisation of the Executive Board missions

1. Role of the Executive Board

Pursuant to the law, the Executive Board decides of the company activity orientations and supervises their implementation.

In compliance with the powers given by law to the shareholders assemblies, and in the limit of the social purpose of the company, the Board deals with any issue regarding the good functioning of the company.

it defines the company strategy, appoints the Executive head officers in charge with the management of the company, and chooses the organization system (unification or separation of the functions of Chairman and CEO), controls the management and the quality of information given to the shareholders and the markets through the company accounts and during important deals.

2. Role of the Executive Board Chairman

The Executive Board chairman is a non executive Chairman. Pursuant to the law, he organises and supervises the Board works and ensures the smooth operation of corporate organs.

The Executive Board didn't give him any other task except that of participating to the Audit and Strategy Committees.

3. Limitation of the CEO and the Delegated Executive Officer powers.

On 22 September 2011, the Executive Board adopted new internal rules stating that all decisions and actions regarding the following subjects must receive its approval:

- External growth operations;
- Approval and modification of annual budget (including an "investment" item);
- Any investment not included in the annual budget (*) which exceeds a global amount of 500,000 euros and any expense not included in the annual budget which exceeds a global amount of 500,000 euros (excluding recruitment operations);
- Any subsidiary creation or joint venture agreement;
- Any agreement or disposal or transfer act, with or without charge, of assets which are essential to the Company and/or its subsidiaries;
- Contracting a loan or any bond issue which would not be included in the annual budget and concluding an off-balance sheet commitment whose amount would exceed 1,000,000 euros (including liability guarantees);
- The grant of any security affecting the company and/or subsidiaries assets outside of their normal business and exceeding the annual allocation;



- Any decision leading to a modification of the Company statutes including but not limited to a change in the social form, the governance procedures, the social purpose and the nature of business;
- Any capital increase or decrease, securities issue in any category, merger, separation or partial contribution of assets regarding a company in the group;
- Any decision affecting SQLI brand by extension or restriction of its use;
- The implementation or modification of any participation, interest, stock option plan, of free shares allocation plan or of carry BSAAR.
- Any decision related to a change in the place of quotation for the company securities, including the withdrawal.
- Any change in accounting procedures;

According to the Company work regulations, the following items will have to be regularly reported to the Board:

- Cash position;
- Any change in high management positions (agency managers) and any change in the terms of agreement with one of these members (including in the work contract).
- For subsidiaries managers, any change regarding:
 - Their appointment and dismissal;
 - The appointment of subsidiaries Executive Board members;
 - The powers of the Executive Boards of SQLI subsidiaries.
- Any decision leading to a modification of a subsidiary statutes including but not limited to a change in the social form, the governance procedures, the social purpose and the nature of business;

4. Preparation and organization of the Executive Board works

Executive Board

The rules of procedure of the Executive Board voted on 22 September 2011, are available at the Company headquarters and on its website: <http://www.sqli.com>.

These work regulations are likely to be modified by the Executive Board following the laws and regulations and its own functioning.

The work regulations aim at:

- Identifying the formation, the organization, the role and powers of the Executive Board towards the General Assembly by completing the existing legal procedures and statutes;
- Improving the efficiency of meetings, debates, and being a reference for the periodic valuation of the Executive Board functioning ;
- Integrating the management of the Company in the rules guaranteeing the respect of corporate governance principles.

Consequently, the work regulations stipulate that the Chairman or Chief Executive Officer has to communicate every Board member all the documents and data needed to the achievement of their mission.

The Executive Board members receive before the meeting of the Board the documents needed to examine the items which will be debated during the meeting.



The Executive Board internal regulations stipulate that for the calculation of the quorum and the majority, the presence of the Executive Board members is requested who can participate to the meeting by telepresence or telecommunications in compliance with the legal conditions. However the participation to the Executive Board meetings by telepresence or telecommunication is not accepted for the deals defined by articles L.232-1 and L.233-16 of the French Commercial Code, that is for the annual accounts and Management report drafting as well as for the consolidated accounts and group management report drafting.

The internal regulations were adopted on 22 September 2011, i.e. before the Executive Board decision of 21 March 2013 to comply, from 1st July 2013, with MiddleNext corporate governance code (which has then been recently modified).

The Board can decide to assess, during one of the next meetings, the necessary changes to bring to SQLI internal regulations in order to make it compliant with the MiddleNext Corporate governance code which has been modified in September 2016, and in particular the recommendations n°4 and 7 presented below.



Creation of the Board internal regulations (Recommendation R7 of the MiddleNext Code)

The Code recommends to adopt Board Rules of Procedure, covering at least the following eight points:

- *role of the Board and any operations that are subject to prior authorization by the Board, if applicable;*
- *composition of the Board /independence criteria applicable to directors;*
- *definition of the missions of dedicated committees;*
- *members duties (ethics: loyalty, non-competition, disclosure of conflicts of interest and the duty to abstain, confidentiality etc.);*
- *organization of the Board (frequency of the meetings, convening, member information, use of video conference and telecommunication) and of the committees;*
- *protection procedures for executive officers: third party insurance (RCMS);*
- *calculation rules of the members compensation;*
- *details on the succession plan for the Head manager and key managers.*

It is also advisable to make the internal rules or a complete summary of it available on the company website with an presentation in the President report.

Information of the Board members (Recommendation n°4 of the MiddleNext Code)

The company is advised to give to the Board members within a reasonable time any relevant information related to the Company news received between the Board meetings. It is advisable to include in the internal rules the methods used to deliver this information, with the establishment of a reasonable time-frame for this delivery.

During the meeting of 15 February 2018, the Executive Board carried out its own evaluation, in compliance with the MiddleNext Code.

The Executive Board met 14 times in 2017, and recorded its decisions in minutes. The attendance rate of his members reached 87.5%. The Executive Board Chairman presided over all the Board meetings. Each of its meetings was preceded of the communications and information defined by the work regulations.

During these meetings, the Board debated the following items: development strategy for the group, external growth projects, semi-annual and annual accounts closure, quarterly turnover closure, financial management, increase of capital for the employees, managers remuneration, preparation of the annual meeting.

Committees

The Committees are strictly consultative. They are under exclusive and collective responsibility of the Executive Board members. They report to the Executive Board which can decide of what to do according to the Committee advices.



➤ Audit Committee

In compliance with Article L.823-19 I of the French Commercial Code, the Executive Board created on the 1st September 2009 an Audit committee in charge of following the questions related to the drafting and monitoring of accounting and financial data.

In compliance with Article L.823-19 II of the French Commercial Code, this Committee has the following functions:

- supervising the financial reporting process and giving recommendations to guarantee its integrity;
- checking the efficiency of internal control and risk management procedures, along with internal audit procedures, regarding the accounting and financial reports preparation and processing, without compromising its independence;
- giving recommendations to the Statutory auditors whose appointment has been proposed by the General assembly. These recommendations submitted to the Executive Board are prepared in compliance with Article 16 of Regulation UE n° 537/2014. A recommendation is also provided for the renewal of the auditors mandate, such as defined in Article 823-3-1 of the French Commercial Code;
- following the execution of the Statutory auditor mission; regarding the Public interest entities, the committee takes into account the conclusions and statements of the Haut Conseil du Commissariat aux Comptes (Audit Office Control Board) relating to the evaluations made in compliance with Articles L. 821-9 and followings of the French Commercial Code;
- ensuring the compliance of independence conditions by the statutory auditor, such as defined in Section 2, chapter II, Title II, Book VIII of the French Commercial code; if needed, the Committee takes the necessary steps to comply with paragraph 3, Article 4 of Regulation UE n° 537/2014 and ensure the compliance with the conditions mentioned in Article 6 of this Regulation;
- approving the execution of the services described in Article L. 822-11-2 of the French Commercial Code;
- reporting on a regular basis to the Executive Board regarding its missions; The Committee also reports the results of the accounts certification, describing how this task contributed to keep the integrity of the financial information and its role in the process. Every issue met in the process must be reported as quickly as possible.

The Audit Committee members are:

- Roland Fitoussi, member and Chairman of the Executive Board;
- Hervé de Beublain, independent member in compliance with Middledenext Code criteria and expert in financing and accounting.

Hervé de Beublain is also chairman of the Audit Committee.

The Audit Committee met twice in 2017 with an attendance rate of 100 %.



➤ Compensation Committee

On 8 November 2011, the Executive Board decided to create a Compensation Committee, in charge of expressing recommendations regarding the compensations granted to executive officers and head managers.

Hervé de Beublain and M. Bernard Jacon are currently members of this Committee.

M. Bernard Jacon was a member of this Committee until 28 July 2017, ending date of his Board member mandate. He was renewed as an independent external member of the Committee from that date.

The Audit Committee met twice in 2017 with an attendance rate of 100 %.

➤ Strategy Committee

The Strategy Committee mission is to study the Company strategy planned by the CEO and COS and/or DEOs, in particular regarding investments and current activities, and to measure the progress of developments.

At this date, the Strategy Committee members are: Véronique Reille-Soult de Dalmatie (independent Board member), Roland Fitoussi (member and Chairman of the Executive Board) and Didier Fauque (Board member and CEO).

M. Bernard Jacon was a member of this Committee until 28 July 2017, ending date of his Board member mandate.

Reginald Sion and Bernard Jacon are external members of the Strategy Committee.

The Strategy Committee met 8 times in 2017 with an attendance rate of 100%.

e) List of mandates and functions of SQLI officers in all the companies.

You will find in the following table the list of all mandates and functions of each one of SQLI officers in any and all companies during the past year:



1. Executive Board members (excluding Didier Fauque as mentioned in point 2.)

Officer name	Mandate of function	Company in which the mandate or function is exercised	SQLI headquarters
Roland Fitoussi	Chairman of the Executive Board	SQLI(SA)	166, rue Jules Guesde 92300 Levallois
	Chairman of the Executive Board	Sethi (SA)	
	Manager	Immobilière Fénelon (SARL)	
	Manager	HIP Fénelon (SARL)	
Hervé Beublain	Executive Board member	SQLI (SA)	166, rue Jules Guesde 92300 Levallois
		Movies Benelux (SA)	
	Chairman	Platinum Gestion (SAS)	
		FD5 (SA)	
		BDB (SAS)	
	Member of the Supervisory Board	Groupe Legris Industries (SA)	
Véronique Reille-Soult de Dalmatie	Chairman	Boutic Factory SAS	
	Executive Officer	Dentsu Aegis Network France	
	Executive Board member	SQLI (SA)	166, rue Jules Guesde – 92300 Levallois-Perret
<u>Board member between 1st January 2017 and 28 June 2017</u>	Manager	LVCT (SARL)	
Bernard Jacon	Board member <i>(Board member between 1st January 2017 and 28 June 2017)</i>	SQLI (SA)	166, rue Jules Guesde – 92300 Levallois-Perret



2. CEO and DEO

Officer name	Mandate of function	Company in which the mandate or function is exercised	SQLI headquarters
Didier Fauque	Chief Executive Officer	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret
	Chairman	EOZEN France SAS	166, rue Jules Guesde 92300 Levallois Perret
	Chairman	ASTON EDUCATION SAS	166, rue Jules Guesde 92300 Levallois Perret
	Manager	ASTON INSTITUT (one-person SARL)	166, rue Jules Guesde 92300 Levallois Perret
	Chairman	CLEAR VALUE SAS	166, rue Jules Guesde 92300 Levallois Perret
	Comanager	GEIE ICE	Parc de Lisieux – Bâtiment B 6, impasse de Lisieux 31300 Toulouse
	Board member and delegated member	SQLI Luxembourg (SA)	19 rue de Bitbourg L-1273 Luxembourg
	Board member and delegated member	EOZEN SA (Belgian company)	204, route d’Arlon L-8010 Strassen
	PDG	SQLI MAROC SA (Moroccan company)	Immeuble High Tech Avenue Annakhil, 1er étage Hay Ryad Rabat, Morocco
	Delegated Board member	EOZEN BELGIUM (Belgian company)	Lambroekstraat 5C B-1831 Diegem, Belgium
	Chairman	SQLI SUISSE (Swiss company)	116-118, Chemin de la Rueyre CH-1020 Renens - Lausanne - Switzerland
	Manager	WAX (Belgian company)	B-9830, SaintMartens-Lateme Kortrijksesteenweg 90 (Belgium)
	Chairman	WADI management (SAS)	33, rue Jean Mermoz Garches France
	Comanager	WADI investment SPRL (Belgian company)	97, rue Royale 1000 Brussels, Belgium
	Chairman	WAX INTERACTIVE (SAS)	166, rue Jules Guesde 92300 Levallois Perret
	Chairman	WAX Interactive Lille (ex NAXEO) (SAS)	166, rue Jules Guesde 92300 Levallois Perret
	Chief Executive Officer	InventCommerce	United Kingdom
	Chief Executive Officer	InventCommerce proprietary Ltd	South Africa
	Manager	ECOMMERCE4U (SARL)	25, rue Corneille 59100 Roubaix



Officer name	Mandate of function	Company in which the mandate or function is exercised	SQLI headquarters
	Executive Board member	Star Republic	Ekelundsgatan 9 Göteborg — Sweden
	Executive Board member	Osudio Holding BV	Orionsingel 18 (6418 KK) Heerlen, Netherlands
Nicolas REBOURS	Chairman and member of the Executive Board	ABCIAL SAS	166, rue Jules Guesde 92300 Levallois
	Executive Board member	SQLI MAROC SA (Moroccan company)	Immeuble High Tech Avenue Annakhil, 1 ^{er} étage Hay Ryad Rabat
	Work contract (Executive and Financial Manager) Delegated Executive Officer	SQLI (SA)	166, rue Jules Guesde 92300 Levallois
	Executive Board member	SQLI Luxembourg SA (Luxembourg company)	19 rue de Bitbourg L-1273 Luxembourg
	Executive Board member	Star Republic	Ekelundsgatan 9 Göteborg — Sweden
	Executive Board member	Osudio Holding BV	Orionsingel 18 (6418 KK) Heerlen, Netherlands
Thierry CHEMLA	Work contract (Director of Strategy and Development) and Delegated Executive Officer	SQLI (SA)	166, rue Jules Guesde 92300 Levallois Perret



II. COMPENSATIONS AND IN-KIND BENEFITS OF EXECUTIVE MANAGERS AND 'SAY ON PAY' APPROACH

a) Presentation of principles and criteria used to define, divide and distribute fixed, variable and extraordinary components of the total remuneration and in-kind benefits due to SQLI executive managers (Article L.225-37-2 of the Commercial Code)

The global remuneration policy applied to each Executive manager is usually defined by the Executive Board, after recommendation of the Compensation Committee, during the appointment or reappointment of each Executive manager.

This policy is reviewed and discussed every year by the Board, after consulting the Compensation Committee.

The remuneration of the Executive managers, and especially the annual calculation of their variable remuneration along with the attribution of any kind of benefits, are based on the accomplished work, results, duration of service and responsibility with the objective of keeping and rewarding the good managers.

In order to define the remuneration policy, the Executive Board takes into account the principles of comprehensiveness, balance, benchmark, consistency, readability, measurement and transparency recommended by the MiddleNext corporate governance code.

The Executive Board controls the following criteria:

- the Executive officers remuneration must be set on a comprehensive basis, in order to include all the components (fixed, variable (bonus), stock-options, free shares, attendance fees, specific benefits...) in the global calculation of the remuneration amount;
- the remuneration components must be justified and consistent with the general interest of the Company;
- the compensation must be assessed, to the extent possible, in relation to a reference profession and market, and must be in proportion with the situation of the company, while paying attention to any inflationary effects;
- the Executive managers remuneration must be set in a manner that is consistent with that of the company's other managers and employees;
- the rules must be simple and transparent; the performance criteria used for the performance-related components of compensation or for allocating any options or bonus shares must correspond to the purposes of the company, must be demanding, explainable and, to the extent possible, sustainable. They must be detailed without compromising the confidentiality which can be necessary for some items; the remuneration and allocation of options or bonus shares should find the right balance and take into account the general interest of the company, market practices and manager performance.
- annual information disclosure to shareholders on the compensation of the managers must be made in accordance with the applicable regulation.



b) Summary of the Remuneration, options and shares allocated to every Executive manager

M. Roland Fitoussi - Chairman of the Executive Board	Year N-2	Year N-1	Year N
Remuneration due for the financial year <i>(presented in table c), point 2/)</i>	105,000	175,500	107,364
Valuation of stock options granted during the financial year ¹³	NA	NA	NA
Valuation of performance shares granted during the financial year ¹⁴	NA	NA	NA
TOTAL	105,000	175,500	107,364
M. Didier Fauque - Chief Executive Officer	Year N-2	Year N-1	Year N
Remuneration due for the financial year <i>(presented in table c), point 1/)</i>	564,068	681,577	554,825
Valuation of stock options granted during the financial year	NA	NA	75,531 ¹⁵
Valuation of performance shares granted during the financial year	NA	NA	34,615 ¹⁵
TOTAL	564,068	681,577	664,971
M. Nicolas Rebours - Delegated Executive Officer	Year N-2	Year N-1	Year N
Remuneration due for the financial year <i>(presented in table c), point 3/)</i>	229,288	235,719	212,394
Valuation of stock options granted during the financial year	NA	NA	12,877 ¹⁵
Valuation of performance shares granted during the financial year	NA	NA	57,077 ¹⁵
TOTAL	229,288	235,719	282,348
M. Thierry Chemla - Delegated Executive Officer	Year N-2	Year N-1	Year N
Remuneration due for the financial year <i>(presented in table c), point 4/)</i>	307,525	445,945	217,777
Valuation of stock options granted during the financial year	NA	NA	NA

¹³ Appendix 2 of AMF n°2014-14 guideline (drafting guide for reference documents for small and mid caps) mentions that this information must be completed by the "value of the options and financial instruments at the time they were awarded, in accordance with IFRS 2, after primarily taking into account a potential discount linked to performance criteria and the probability of the individual's continued presence in the company at the end of the acquisition period, but before the averaging effect under IFRS 2 of the expense over the acquisition period."

¹⁴ Appendix 2 of AMF n°2014-14 guideline mentions that this information must be completed by the "value of the options and financial instruments at the time they were awarded, in accordance with IFRS 2, after primarily taking into account a potential discount linked to performance criteria and the probability of the individual's continued presence in the company at the end of the acquisition period, but before the averaging effect under IFRS 2 of the expense over the acquisition period."

¹⁵ See Chapter II, paragraph f/ of the report.



Valuation of performance shares granted during the financial year	NA	NA	NA
TOTAL	307,525	445,945	217,777



c) Remuneration due/paid to each Executive officer by the Company and its subsidiaries, according to article L 233-16 of the Commercial Code.

1. Remuneration of Didier Fauque and proposition to the General Assembly regarding the remuneration and in-kind benefits granted or distributed to Didier Fauque for year 2017 ("ex post" Say on pay vote):

Didier Fauque Chief Executive Officer	Year N-2		Year N-1		Year N	
	Amounts due ¹⁶	Amounts paid ¹⁷	Amounts due ¹⁸	Amounts paid ¹⁹	Amounts due ²⁰	Amounts paid ²¹
Fixed remuneration ²²	266,448	266,448	266,448	266,448	266,450	266,450
Variable remuneration	167,600	190,000	127,000	167,600	159,400	227,000
Extraordinary remuneration	186,222	NA	NA	186,222	NA	NA
Multi-annual variable remuneration	NA	NA	NA	NA	NA	NA
Attendance fees	12,500	12,500	11,500	11,500	11,500	11,500
In-kind compensations	95,120	95,120	49,807	49,807	49,875	49,875
Valuation of stock options granted during the financial year	NA	NA	NA	NA	NA	75 531 ²³ See Chapter II, paragraph f/ of the report.
Valuation of stock options granted during the financial year	NA	NA	NA	NA	NA	34 615 ²⁴ See Chapter II, paragraph f/ of the report.
TOTAL	727,890	564,068	454,755	681,577	487,225	664,971

The remuneration policy regarding Didier Fauque and his CEO mandate has been reviewed and discussed by the Executive Board on 16 March 2017, after consultation with the Remuneration Committee.

¹⁶ Remuneration due to the executive manager during the year, regardless of the payment date.

¹⁷ Total remuneration paid to the executive manager during the year.

¹⁸ Remuneration due to the executive manager during the year, regardless of the payment date.

¹⁹ Total remuneration paid to the executive manager during the year.

²⁰ Remuneration due to the executive manager during the year, regardless of the payment date, subject, regarding the variable part allocated to Didier Fauque for year 2017, to approval of remuneration amounts paid or distributed to Didier Fauque for year 2017 ("ex post" vote), by the Annual General Assembly held in 2018.

²¹ Total remuneration paid to the executive manager during the year.

²² Gross pre-tax basis

²³ On 22 February 2017, the Board decided, after authorization of the General Assembly meeting of 15 June 2016, to grant Didier Fauque 10,000 stock options as part of his compensation for year 2016.

²⁴ On 22 February 2017, the Board decided, after authorization of the General Assembly meeting of 15 June 2016, to grant Didier Fauque 1,437 stock options as part of his compensation for year 2016.



Following the principles described in Chapter II, paragraph a) above, the criteria used to define, divide and distribute fixed, variable and extraordinary components of Didier Fauque total remuneration for year 2017 have been set according to the following description.

These principles and criteria had been approved by the General Assembly on 28 June 2017, with the 8th resolution.

✓ **Fixed annual remuneration:**

The fixed annual remuneration is based on the level and complexity of the manager responsibilities, his experience in this function, his length of service in the company and a comparison with standard practices in similar companies. This fixed remuneration has been set to 266,450 € (gross) in 2017.

✓ **Annual variable remuneration:**

For the Executive Board, the variable remuneration rewards the performance of the CEO for the previous year and helps to link his interests with SQLI operational strategy for that period.

The variable remuneration is subject to the achievement of specific and ambitious objectives, decided in the beginning of the year under review by the Executive Board, after consultation with the Remuneration Committee, and based on quantity and quality criteria (considering that the detail and weighting of these criteria are communicated to the CEO but not to the public for confidentiality purpose).

These criteria are based on key financial and operational factors aligned with SQLI activities, strategy, value and challenges.

The composition of this variable remuneration includes targeted levels in case of achievement of the objectives defined by the Board, maximum levels in case of surperformance and minimum levels under which this remuneration is not paid.

The results are discussed after the year accounts closing, by reviewing the year consolidated accounts and the CEO global performance.

A bonus, additional variable element, can also be allocated to the CEO. This potential bonus depends on the annual variation of SQLI share market price compared with the arithmetic mean of a comparable companies panel submitted by the Executive Board, after consultation with the Remuneration Committee. The Board regularly checks that this panel is adapted to the comparison.



If the bonus is approved, the bonus amount calculation is based on the achievement rate of quality and quantity criteria such as mentioned above, with a fixed minimal amount.

The Executive Board decided on 16 March 2017 to calculate the variable part of the EO remuneration for year 2017 as follows:

- a quantitative factor measuring the Company performance compared with a targeted current operational result;
- a quality criterion, part of the Move Up 2020 plan presented by the Company in June 2016.

The Board explained that the CEO

On 27 March 2018, the Executive Board decided to give Didier Fauque a total variable remuneration of 159,400 euros, divided as follows:

- bonus (additional variable component) of 100,000 euros related to SQLI share price variation compared to a panel of similar companies.
- variable amount of 59,400 euros (the company performance didn't reach the current operational result objective, but the quality criteria based on Move Up 2020 plan, as resented in June 2016, have been achieved).

In compliance with Article L 225-37-2 of the Commercial Code, the payment of this variable remuneration is subject to the approval of this remuneration by the Annual General Assembly held in 2018, under the provisions of Article L 225-100 of the Commercial Code.

✓ **Allocation of stock options and free shares:**

The CEO is entitled, every year, to the allocation of stock options and free shares, as decided by the Executive Board, after consultation with the Remuneration Committee and following the resolutions taken by the General Assembly.

This allocation policy represents an incentive to help the CEO to build long-term actions, to retain him and keep his interests consistent with those of the Company and shareholders.

As was mentioned in the Supervisory Board Chairman's report to the General Assembly held in 2017, the Board decided on 22 February 2017, after authorization of the General Assembly meeting of 15 June 2016, to grant Didier Fauque (i) 10,000 stock options and (ii) 1,437 free shares, as part of his compensation for year 2016.



➤ **Regarding the allocation of stock options, as part of Didier Fauque remuneration for year 2017:**

The stock options policy established by the Board, after consultation with the Remuneration Committee, consists in allocating every year a fixed number of options to the CEO, submitted to the performance of SQLI share price which must have reached a certain level in the previous year, such as decided by the Executive Board. The exact number of shares which can be granted to the CEO depends also on the annual growth rate of SQLI share price.

When Didier Fauque mandate was renewed in 2016, the Board decided to:

- set an annual growth rate objective of 33% for SQLI share price. If this objective is satisfied for year 2017, M. Fauque will receive a maximum number of N stock options for year 2017. The allocation will take place in 2018.
- If the SQLI share price growth rate for year 2017 is higher than 15% but lower than 33%, Didier Fauque will receive, for year 2017, 1 to N options, according to a linear calculation.
- If SQLI share price growth rate for year 2017 is less or equal to 15%, Didier Fauque will not receive any stock option for year 2017.

SQLI share price annual growth rate is calculated on the basis of the first 20 days average of the year, except if the price underperformed the previous years levels (then the variation will be calculated according to the highest rate of the previous years). The end-of-year rate is equal to the average price of the last 20 trading sessions.

Following the previous provisions, the Executive Board established on 27 March 2018 the conditions of allocation of stock options to Didier Fauque for year 2017.

The Board decided that Didier Fauque would not receive any stock option for year 2017.

➤ **Regarding the allocation of free shares, as part of Didier Fauque remuneration for year 2017:**

The free shares policy established by the Board, after consultation with the Remuneration Committee, consists in allocating every year a certain number of free shares to the CEO, established as follows: 20 000 euros / SP, with "SP" being SQLI share price at 30 December of the previous year.

Following the previous provisions, the Executive Board established on 27 March 2018 the conditions of allocation of free shares to Didier Fauque for year 2017.

The Board decided to allocate 565 free shares to Didier Fauque.

✓ **In-kind benefits**

Didier Fauque in-kind benefits include a company vehicle and the related costs and insurance policies (compulsory or optional), the expenses related to fuel, repair and maintenance works and parking for this vehicle, regarding the personal use of this vehicle by Didier Fauque.

✓ **Other remuneration items:**

When assessing the general remuneration of the manager, the Executive Board takes into account the other remuneration items submitted to the General Assembly, as part of the procedure for regulated agreements and commitments.



These items are the following:

- Didier Fauque is entitled to the pension, health and social security benefits contracted by the Company for the Executive managers;
- The Company subscribed a professional third party liability policy for Didier Fauque, covering the risks taken by head managers. Didier Fauque is covered, as an Executive manager, by a Social guarantee for company managers and executives; "formule 70" , for a maximal period of twenty-four months from 7 May 2016.

Being a member of the Executive Board, the CEO can also receive attendance fees. The amount and distribution of the Board members attendance fees have been calculated according to the members attendance to the Board meetings and to their participation in one or more Committee(s).

Following the Board decision made on 28 April 2016, Didier Fauque shall have to respect a non competition undertaking for a period of 24 months in case of termination of his CEO mandate, for any reason, if SQLI decides to apply this undertaking. In compensation for the application of this undertaking, Didier Fauque would receive an allowance equal to 60% of (i) the fixed part of his remuneration and (ii) the variable part of his remuneration for the year preceding the end of his mandate. This allowance will be paid on a monthly basis during the whole period of application of the non-competition undertaking.



In order to comply with the MiddleNext Code, such as modified in September 2016, the following table summarises the benefits or allowances granted to Didier Fauque:

	Work contract		Extra pension plan		Non-competition clause	
	Yes	No	Yes	No	Yes	No
Didier Fauque His CEO mandate was renewed from 7 May 2016 until 31 December 2020		X		X	<u>Duration:</u> 24 months in case of termination of his CEO mandate, for any reason. <u>Remuneration in case of activation of the non-competition clause by SQLI:</u> In compensation for the application of this undertaking, Didier Fauque would receive an allowance equal to 60% of (i) the fixed part of his remuneration and (ii) the variable part of his remuneration for the year preceding the end of his mandate. This allowance will be paid on a monthly basis during the whole period of application of the non-competition undertaking.	

Resolution project regarding Say on pay principle - ex post vote (Article L 225-100 of the Commercial code):

In compliance with article L.225-102 of the French Commercial Code and following the 8th resolution adopted by the General Assembly on 28 June 2017, regarding Didier Fauque remuneration for year 2017, an ex post vote will be submitted to the shareholders during the next Annual General Assembly, in order to approve the components of Didier Fauque global remuneration for his CEO mandate in 2017, such as presented above.

Resolution project: (Approval of the remuneration components paid or distributed for year ended on 31 December 2017 to Didier Fauque, as company CEO)

Following article L.225-100 of the French Commercial Code, the General Assembly, after acknowledgement of the Executive Board report under Article L 225-37 of the Commercial Code:

- approves the fixed and variable components of the remuneration and in-kind benefits paid or allocated for year ended on 31 December 2017 to Didier Fauque, as company CEO, such as presented in Chapter II of the Executive Board report on company governance.



On 16 September 2014, in compliance with the delegation granted by the General Assembly on 25 June 2014, the Executive Board decided to issue 215,784 shares with warrants attached (BASE), 143,856 of which have been subscribed by Wadi Investment, whose capital and voting rights are currently mainly owned by Didier Fauque. (see description in Chapter IIo, paragraph g) of the present report).

2. Remuneration of Didier Fauque and proposition to the General Assembly regarding the remuneration and in-kind benefits granted or distributed to Didier Fauque for year 2017 ("ex post" Say on pay vote):

Roland Fitoussi Chairman of the Executive Board	Year N-2		Year N-1		Year N	
	Amounts due ²⁵	Amounts paid ²⁶	Amounts due ²⁷	Amounts paid ²⁸	Amounts due ²⁹	Amounts paid ³⁰
Fixed remuneration ³¹	70,000	70,000	74,112	70,000	74,112	78,224
Annual variable remuneration	94,000	22,500	17,640	94,000	14,850	17,640
Extraordinary remuneration	NA	NA	NA	NA	NA	NA
Attendance fees	12,500	12,500	11,500	11,500	11,500	11,500
In-kind compensations	NA	NA	NA	NA	NA	NA
TOTAL	176,500	105,000	103,252	175,500	100,462	107,364

The remuneration policy regarding Roland Fitoussi and his CEO mandate has been reviewed and discussed by the Executive Board on 16 March 2017, after consultation with the Remuneration Committee.

²⁵ Remuneration due to the executive manager during the year, regardless of the payment date.

²⁶ Total remuneration paid to the executive manager during the year.

²⁷ Remuneration due to the executive manager during the year, regardless of the payment date.

²⁸ Total remuneration paid to the executive manager during the year.

²⁹ Remuneration due to the executive manager during the year, regardless of the payment date, subject, regarding the variable part allocated to Roland Fitoussi for year 2017, to approval of remuneration amounts paid or distributed to Roland Fitoussi for year 2017 ("ex post" vote), by the Annual General Assembly held in 2018.

³⁰ Total remuneration paid to the executive manager during the year.

³¹ Gross pre-tax basis



Following the principles described in paragraph 1 above, the criteria used to define, divide and distribute fixed, variable and extraordinary components of Roland Fitoussi total remuneration for year 2017 have been set according to the following description.

These principles and criteria had been approved by the General Assembly on 28 June 2017, with the 9th resolution.

✓ **Annual fixed remuneration:**

Roland Fitoussi annual fixed remuneration for 2017 is based on the level and complexity of the manager responsibilities, his experience in this function, his length of service in the company and a comparison with standard practices in similar companies or standard market customs.

His annual fixed remuneration amounts to 74,112 € (gross amount).

✓ **Annual variable remuneration:**

On 16 March 2017, the Board confirmed the allocation of a variable remuneration for year 2017 to Roland Fitoussi, regarding his mandate of Chairman of the Executive Board.

This remuneration includes the following components:

- a first variable part set to 25% of the variable remuneration due for 2017 to the CEO (excluding annual bonus);
- a second variable part representing a major part of the variable remuneration amount due to the CEO and subject to the variation of SQLI share price in 2017.

The maximal amount of the CEO variable remuneration for year 2017 (including the bonus) is 91% of his annual fixed remuneration.

On 27 March 2018, the Executive Board decided to give Roland Fitoussi a total variable remuneration of 14,850 euros, calculated as follows:

The variable remuneration granted to Roland Fitoussi represents 25% of Didier Fauque variable remuneration (excluding annual bonus).

In compliance with Article L 225-37-2 of the Commercial Code, the payment of this variable remuneration is subject to the approval of this remuneration by the Annual General Assembly held in 2018, under the provisions of Article L 225-100 of the Commercial Code.

✓ **Attendance fees**

Roland Fitoussi received 11,500 euros of attendance fees in 2017. The amount and distribution of attendance fees have been calculated according to his attendance to the Board meetings and to their participation in one or more Committee(s).



Resolution project regarding Say on pay principle - ex post vote (Article L 225-100 of the Commercial code):

In compliance with article L.225-102 of the French Commercial Code and following the 8th resolution adopted by the General Assembly on 28 June 2017, regarding Roland Fitoussi remuneration for year 2017, an ex post vote will be submitted to the shareholders during the next Annual General Assembly, in order to approve the components of Roland Fitoussi global remuneration for his Board Chairman mandate in 2017, such as presented above.

Resolution project: *(Approval of the remuneration components paid or distributed for year ended on 31 December 2017 to Roland Fitoussi, as Board chairman)*

Following article L.225-100 of the French Commercial Code, the General Assembly, after acknowledgement of the Executive Board report under Article L 225-37 of the Commercial Code:

- approves the fixed and variable components of the remuneration paid or allocated for year ended on 31 December 2017 to Roland Fitoussi, as Board chairman, such as presented in Chapter II of the Executive Board report on company governance. "



3. Remuneration of Nicolas Rebours and proposition to the General Assembly regarding his paid or allocated remuneration for year 2017 ("ex post" Say on pay vote):

Functions related to the employment contract M. Nicolas Rebours - Executive and Financial Manager	Year N-2		Year N-1		Year N	
	Amounts due ³²	Amounts paid ³³	Amounts due ³⁴	Amounts paid ³⁵	Amounts due ³⁶	Amounts paid ³⁷
Fixed remuneration ³⁸	151,500	151,500	151,593	151,593	151,700	151,700
Variable remuneration	59,500	53,350	40,000	59,500	40,000	36,000
Extraordinary remuneration	NA	NA	NA	NA	NA	NA
In-kind compensations	4,438	4,438	4,626	4,626	4,694	4,694
Valuation of stock options granted during the financial year						12,877 See Chapter II, f/ of the report.
Valuation of performance shares granted during the financial year						57,077 See Chapter II, e/ of the report.
TOTAL	215,438	209,288	196,219	215,719	197,394	262,348

Functions related to the Delegated Executive Officer mandate	Year N-2		Year N-1		Year N	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	20,000	20,000	20,000	20,000	20,000	20,000
Variable remuneration	NA	NA	NA	NA	NA	NA
Extraordinary remuneration	NA	NA	NA	NA	NA	NA

³² Remuneration due to the executive manager during the year, regardless of the payment date.

³³ Total remuneration paid to the executive manager during the year.

³⁴ Remuneration due to the executive manager during the year, regardless of the payment date.

³⁵ Total remuneration paid to the executive manager during the year.

³⁶ Remuneration due to the executive manager during the year, regardless of the payment date.

³⁷ Total remuneration paid to the executive manager during the year.

³⁸ Gross pre-tax basis



In-kind compensations	NA	NA	NA	NA	NA	NA
TOTAL	20,000	20,000	20,000	20,000	20,000	20,000



M. Nicolas Rebours compensation for his Delegated Executive Officer position was set by the Executive Board during the meeting of 29 July 2013 and confirmed when his mandate was renewed on 25 June 2014.

The Annual fixed remuneration of Nicolas Rebours for his mandate of Delegated Executive Officer amounts to 20,000 euros (gross). Monsieur Nicolas Rebours doesn't receive any variable remuneration and other benefit for this mandate.

The fixed annual remuneration is based on the level and complexity of the manager responsibilities, his experience in this function, his length of service in the company and a comparison with standard practices in similar companies.

The Annual fixed remuneration of Monsieur Nicolas Rebours for his mandate of Delegated Executive Officer has been set to 20,000 euros for year 2017.

Monsieur Nicolas Rebours kept the benefit from his work contract of Executive and Financial manager of the group. The Annual fixed wages of Monsieur Nicolas Rebours for his function of Executive and Financial manager amounts to 151,700 euros (including vacation bonus). The variable part of his remuneration amounts to 70,000 € (gross value). The in-kind benefit for company vehicle amounts to 4,694 €.

Resolution project regarding Say on pay principle - ex post vote (Article L 225-100 of the Commercial code):

In compliance with article L.225-102 of the French Commercial Code and following the 10th resolution adopted by the General Assembly on 28 June 2017, regarding Nicolas Rebours remuneration for year 2017, an ex post vote will be submitted to the shareholders during the next Annual General Assembly, in order to approve the components of Nicolas Rebours global remuneration for his DEO mandate in 2017, such as presented above.

Resolution project: *(Approval of the remuneration components paid or distributed for year ended on 31 December 2017 to Nicolas Rebours, as company DEO)*

Following article L.225-100 of the French Commercial Code, the General Assembly, after acknowledgement of the Executive Board report under Article L 225-37 of the Commercial Code, approves the fixed components of the remuneration paid for year ended on 31 December 2017 to Nicolas Rebours, as DEO, such as presented in Chapter II of the Executive Board report on company governance.



4. Remuneration of Thierry Chemla:

➤ Functions related to the employment contract						
Thierry Chemla Vice-President Strategy & Development	Year N-2		Year N-1		Year N	
	Amounts due ³⁹	Amounts paid ⁴⁰	Amounts due ⁴¹	Amounts paid ⁴²	Amounts due ⁴³	Amounts paid ⁴⁴
Fixed remuneration ⁴⁵	181,400	181,800	184,500	186,345	186,345	186,345
Variable remuneration	255,300	121,800	86,000	255,300	90,300	26,000
Extraordinary remuneration	NA	NA	NA	NA	NA	NA
Benefits in kind	3,925	3,925	4,300	4,300	5,432	5,432
TOTAL	440,625	307,525	274,800	445,945	282,077	217,777
➤ Functions related to the Delegated Executive Officer mandate						
Thierry Chemla Delegated Executive Officer	Year N-2		Year N-1		Year N	
	Amounts due	Amounts paid	Amounts due	Amounts paid	Amounts due	Amounts paid
Fixed remuneration	NA	NA	NA	NA	NA	NA
Variable remuneration	NA	NA	NA	NA	NA	NA
Extraordinary remuneration	NA	NA	NA	NA	NA	NA
Benefits in kind	NA	NA	NA	NA	NA	NA
TOTAL	NA	NA	NA	NA	NA	NA

³⁹ Remuneration due to the executive manager during the year, regardless of the payment date.

⁴⁰ Total remuneration paid to the executive manager during the year.

⁴¹ Remuneration due to the executive manager during the year, regardless of the payment date.

⁴² Total remuneration paid to the executive manager during the year.

⁴³ Remuneration due to the executive manager during the year, regardless of the payment date.

⁴⁴ Total remuneration paid to the executive manager during the year.

⁴⁵ Gross pre-tax basis



On 14 January 2014, the Executive Board decided that Thierry Chemla would not receive any compensation for his mandate of Delegated Executive Officer.

He kept the benefit from his work contract of Executive and Financial manager of the group. M. Chemla compensation regarding his employment contract is the following: fixed wages: 186,345€ (including vacation bonus), variable part based on target achievement: 155,000 €, bonus: 60,000 €. The company vehicle in kind benefit amounts to 5,432 €.

On 16 September 2014, in compliance with the delegation granted by the General Assembly on 25 June 2014, the Executive Board granted 71,928 BSA to Thierry Chemla (see explanations in **o** of the present report).

d) Distribution of attendance fees and other remunerations of Non Executive directors

Non Executive directors	Amounts paid during year 2015	Amounts paid during year 2016	Amounts paid during year 2017
Reille Soult de Damaltie			
Attendance fees	14,000	14,000	14,000
Other remuneration	NA	NA	NA
Hervé de Beublain			
Attendance fees	15,500	16,500	16,500
Other remuneration	NA	NA	NA
Board member between 1st January 2017 and 28 June 2017			
Attendance fees	15,500	16,500	16,500
Other remuneration	NA	NA	NA

The amount and distribution of attendance fees have been calculated according to the members attendance to the Board meetings and to their participation in one or more Committee(s).



e) Free shares allocated to Executive officers

In February 2017, the Executive Board, exercising the authorization given by the extraordinary General Assembly of 15 June 2016, decided to grant (i) 1,437 stock options to Didier Fauque (CEO) and (ii) a total amount of 21,000 stock options to certain employees including Nicolas Rebours, employee and Delegated Executive Officer.

The following table describes all free shares allocated to Didier Fauque and Nicolas Rebours from the beginning of year 2017:

Name of the Executive officer	N° and date of plan	Number of options granted in 2017	Valuation of shares following the methodology applied to consolidated accounts ⁴⁶	Date of acquisition (identical to the date of availability), subject to the note included under the table).	Performance conditions
Monsieur Nicolas Rebours.	2017 plan 22/02/2017	1,500	57,077 €	1st January 2021	Without
Didier Fauque	2017 plan 22/02/2017	1,437	34,615€	23 February 2019	Without

The Executive Board didn't attach a performance condition to the free acquisition of all or part of Nicolas Rebours and Didier Fauque stock options, in spite of the MiddleNext Code fifth recommendation, for the following reasons:

- For Nicolas Rebours: the free options are related to his employment contract and not to his social mandate, which proves he had the same rights as the other employees members of the stock options plan;
- For Didier Fauque : the allocation of stock options is part of his compensation for year 2016, such as decided by the Executive Board on 28 April 2016.

In compliance with article L.225-197-1 II alinea 4 of the French Commercial Code, the Executive Board decided that MM. Fauque et Rebours would have to keep at least 5% of their free shares until the end of their mandate.

⁴⁶ Value of the options and financial instruments at the time they were awarded, in accordance with IFRS 2, after primarily taking into account a potential discount linked to performance criteria and the probability of the individual's continued presence in the company at the end of the acquisition period, but before the averaging effect under IFRS 2 of the expense over the acquisition period.



f) Stock options allocated to Executive officers

On 25 June 2014, the Executive Board, exercising the authorization given by the extraordinary General Assembly of 5 November 2014, decided to grant 48,000 stock options to certain employees and to Nicolas Rebours, employee and Delegated Executive Officer.

The following table describes stock options allocated to Nicolas Rebours in 2014:

Name of the Executive officer	N° and date of plan	Nature of option	Valuation of options (according to the selected method) ⁴⁷	Number of options granted in 2014	Exercise price	Performance conditions	Exercise period
Monsieur Nicolas Rebours.	2014 plan 05/11/2014	Stock options	€6,211	3,500	€16	Without	01/01/2017 - 06/11/2019

The Executive Board didn't attach a performance condition to the exercise of all or part of Nicolas Rebours stock options, in spite of the MiddleNext Code fifth recommendation, for the following reasons: the consented options are related to M. Rebours employment contract and not to his social mandate, which proves he had the same rights as the other employees regarding these stock options.

On 5 November 2014, the Executive Board decided that the stock options holders who exercised their options, would have to register in their own name the shares subscribed after exercising their options.

⁴⁷ Appendix 2 of AMF n°2014-14 guideline mentions that this information must be completed by the "value of the options and financial instruments at the time they were awarded, in accordance with IFRS 2, after primarily taking into account a potential discount linked to performance criteria and the probability of the individual's continued presence in the company at the end of the acquisition period, but before the averaging effect under IFRS 2 of the expense over the acquisition period."



The Executive Board, exercising the authorization given by the extraordinary General Assembly of 15 June 2016, decided on 22 February 2017, to grant (i) 10,000 stock options to Didier Fauque and (ii) a total amount of 18,000 stock options to certain employees including Nicolas Rebours, employee and Delegated Executive Officer.

The following table describes stock options allocated to Didier Fauque and Nicolas Rebours:

Name of the Executive officer	N° and date of plan	Nature of option	Valuation of options (according to the selected method)	Number of options granted in 2017	Exercise price	Performance conditions	Exercise period
Nicolas Rebours	2017 plan 22/02/2017	Stock options	€12,877	1,500	€32.84	Without	31/12/2020 – 22/02/2024
Didier Fauque	2017 plan 22/02/2017	Stock options	€75,531	10,000	€32.84	Without	31/12/2020 – 22/02/2024

The Executive Board met on 22 February 2017 didn't attach a performance condition to the exercise of all or part of Nicolas Rebours and Didier Fauque stock options, in spite of the MiddleNext Code fifth recommendation, for the following reasons:

- For Nicolas Rebours: the free options are related to his employment contract and not to his social mandate, which proves he had the same rights as the other employees members of the stock options plan;
- For Didier Fauque : the allocation of stock options is part of his compensation for year 2016, such as decided by the Executive Board on 28 April 2016.

The Executive Board decided on 22 February 2017 that Didier Fauque and Nicolas Rebours, when exercising their options, would have to keep at least 5% of the shares acquired through the exercise of their options until the end of their functions of Executive managers.



g) Stock purchase warrants

According to the delegation of authority granted by the Combined General Assembly twelfth resolution on 25 June 2014, the Board issued, on 16 September 2014, 215,784 BSA including 71,928 in the BSA 1 category ("BSA 1"), 71,928 in the BSA 2 category ("BSA 2") and 71,928 in the BSA 3 category ("BSA 3"), divided between holders as follows:

- Thierry Chemla: 23.976 BSA 1 at the unit price of 1.33 €, 23.976 BSA 2 at the unit price of 1.14 € and 23.976 BSA 3 at the unit price of 0.88 €.
- Wadi Investment, a private limited company incorporated under Belgian law (registration number: 0536.878,865), whose majority of capital and voting rights is currently owned by Didier Fauque: 47.952 BSA 1 at the unit price of 1.33 €, 47.952 BSA 2 at the unit price of 1.14 € and 47.952 BSA 3 at the unit price of 0.88 €.

These 215,784 BSA have been subscribed by their holders on 16 September 2014.

h) Application of principles and criteria used to define, divide and distribute fixed, variable and extraordinary components of the total remuneration and in-kind benefits due to SQLI executive officers for year 2018, as described in point 1 of the present paragraph h

In application of Article 225-37-2 of the French Commercial Code, the paragraph h) describes the application of principles and criteria used to define, divide and distribute fixed, variable and extraordinary components of the total remuneration and all in-kind benefits due to the Board Chairman, the CEO and DEO of SQLI regarding their mandate for year 2018, in compliance with the previous provisions of paragraph a).

Compliant with the above-mentioned article, these principles and criteria will be submitted to the approval of SQLI General Assembly on 22 June 2018.

This approval is required, through an ex ante vote, with the adoption of a resolution specific to each Executive officer: one for Didier Fauque (CEO), one for Roland Fitoussi (Board Chairman), one for Nicolas Rebours (DEO).

If these principles and criteria were to be effectively approved by SQLI General Assembly on 22 June 2018, via the ex ante vote, the resulting amounts will be, under Article L 225-100 of the French Commercial Code, submitted to the approval of the shareholders in 2019, with an ex post vote.

Under Article 225-37-2 of the French Commercial Code, the payment of variable and extraordinary remunerations is submitted to the approval by the General Assembly held in 2019 of the remuneration composition of each Executive manager for year 2018, in compliance with Article 225-100 of the French Commercial Code (Ex post vote).



5. **M. Didier Fauque - Chief Executive Officer**

The remuneration policy regarding Didier Fauque and his CEO mandate has been reviewed and discussed by the Executive Board on 28 April 2016, after consultation with the Remuneration Committee.

It has been reviewed and discussed by the Executive Board on 27 March 2018, after consultation with the Remuneration Committee.

Following the principles described in Chapter II, paragraph a) above, the criteria used to define, divide and distribute fixed, variable and extraordinary components of Didier Fauque total remuneration for year 2018 have been set according to the following description.

➤ **Fixed annual remuneration:**

The fixed annual remuneration is based on the level and complexity of the manager responsibilities, his experience in this function, his length of service in the company and a comparison with standard practices in similar companies. It can be reviewed to take into account the events impacting the company and the other components of the remuneration, with a potential revaluation of the fixed amount.

This fixed remuneration remains 266,450 € (gross) in 2018.

➤ **Annual variable remuneration:**

The variable remuneration rewards the performance of the CEO for the previous year and helps to link his interests with SQLI operational strategy for that period.

The variable remuneration is subject to the achievement of specific and ambitious objectives, decided in the beginning of the year under review by the Executive Board, after consultation with the Remuneration Committee, and based on quantity and quality criteria (considering that the detail and weighting of these criteria are communicated to the CEO but not to the public for confidentiality purpose).

These criteria are based on key financial and operational factors aligned with SQLI activities, strategy, value and challenges.

The composition of this variable remuneration includes targeted levels in case of achievement of the objectives defined by the Board, maximum levels in case of surperformance and minimum levels under which this remuneration is not paid.

The results are discussed after the year accounts closing, by reviewing the year consolidated accounts and the CEO global performance.

A bonus, additional variable element, can also be allocated to the CEO. This potential bonus depends on the annual variation of SQLI share market price compared with the arithmetic mean of a comparable companies panel submitted by the Executive Board, after consultation with the Remuneration Committee. The Board regularly checks that this panel is adapted to the comparison.

If the bonus is approved, the bonus amount calculation is based on the achievement rate of quality and quantity criteria such as mentioned above, with a fixed minimal amount.



The Executive Board decided to calculate the variable part of the CEO remuneration for year 2018 as follows:

- a quantitative factor measuring the Company performance compared with an objective in terms of EBITDA;
- a quality criterion, part of the Move Up 2020 plan presented by the Company in June 2016.

The CEO will receive a bonus for 2018 if the previous conditions have been respected.

The maximal amount of the CEO variable remuneration for year 2018 (including the bonus) is 139% of his annual fixed remuneration.

Under Article 225-37-2 of the French Commercial Code, the payment of the CEO variable remunerations is submitted to the approval by the General Assembly held in 2018 of the remuneration composition for year 2018, in compliance with Article 225-100 of the French Commercial Code.

➤ **Allocation of stock options and free shares:**

The CEO is entitled, every year, to the allocation of stock options and free shares, as decided by the Executive Board, after consultation with the Remuneration Committee and following the resolutions taken by the General Assembly.

This allocation policy represents an incentive to help the CEO to build long-term actions, to retain him and keep his interests consistent with those of the Company and shareholders.

✓ ***Allocation of Stock options***

The stock options policy established by the Board, after consultation with the Remuneration Committee, consists in allocating every year a fixed number of options to the CEO, submitted to the performance of SQLI share price which must have reached a certain level in the previous year, such as decided by the Executive Board. The exact number of shares which can be granted to the CEO depends also on the annual growth rate of SQLI share price.

When Didier Fauque mandate was renewed in 2016, the Board decided to:

- set an annual growth rate objective of 33% for SQLI share price. If this objective is satisfied for year 2017, M. Fauque will receive a maximum number of N stock options for year 2017. The allocation will take place in 2018.
- If the SQLI share price growth rate for year 2017 is higher than 15% but lower than 33%, Didier Fauque will receive, for year 2017, 1 to N options, according to a linear calculation.



- If SQLI share price growth rate for year 2017 is less or equal to 15%, Didier Fauque will not receive any stock option for year 2017.

SQLI share price annual growth rate is calculated on the basis of the first 20 days average of the year, except if the price underperformed the previous years levels (then the variation will be calculated according to the highest rate of the previous years). The end-of-year rate is equal to the average price of the last 20 trading sessions.

Following the general principles exposed above and the resolutions taken by the General Assembly, the Executive Board will decide in 2019 the conditions to respect in order to allocate stock options to Didier Fauque for year 2018. These conditions will include a presence requirement regarding the exercise of options by his beneficiary.

The Executive Board will also decide of the number of shares coming from the exercise of options that Didier Fauque will have to retain until the termination of his functions or the number of options which can not be exercised before the termination of his functions.

✓ ***Allocation of Free shares***

The free shares allocation policy set by the Board, after consultation with the Remuneration Committee, consists in giving every year a certain number of free shares to the CEO, calculated as follows: 20 000 euros / SP, with "SP" being SQLI share price at 30 December of the previous year.

Following the general principles exposed above and the resolutions taken by the General Assembly, the Executive Board will decide in 2019 the conditions to respect in order to allocate free shares to Didier Fauque for year 2018. These conditions will include a presence requirement regarding the exercise of options by his beneficiary.

The Executive Board will also decide of the number of shares that Didier Fauque will have to retain until the termination of his functions or the number of free shares which can not be sold before the termination of his functions.

➤ **In-kind benefits**

The In-kind benefits granted to Didier Fauque include:

- a company vehicle and the related costs and insurance policies (compulsory or optional), the expenses related to fuel, repair and maintenance works and parking for this vehicle, regarding the personal use of this vehicle by Didier Fauque.
- **Other remuneration items:**

When assessing the general remuneration of the manager, the Executive Board takes into account the other remuneration items submitted to the General Assembly, as part of the procedure for regulated agreements and commitments.



These items are the following:

- Didier Fauque is entitled to the pension, health and social security benefits contracted by the Company for the Executive managers;
- If SQLI decided to apply the non-competition clause, M. Fauque would receive, in case of termination of his mandate, for any reason, an allowance equal to 60% of (i) the fixed part of his remuneration and (ii) the variable part of his remuneration for the year preceding the end of his mandate. This allowance will be paid on a monthly basis during the whole period of application of the non-competition undertaking.

The Company subscribed a professional third party liability policy for Didier Fauque, covering the risks taken by head managers. Didier Fauque is covered, as an Executive manager, by a Social guarantee for company managers and executives; "formule 70", for a maximal period of twenty-four months from 7 May 2016.

Being a member of the Executive Board, the CEO can also receive attendance fees. The amount and distribution of the Board members attendance fees have been calculated according to the members attendance to the Board meetings and to their participation in one or more Committee(s).

6. Roland Fitoussi - Chairman of the Executive Board

The remuneration policy regarding Roland Fitoussi and his Board Chairman mandate has been reviewed and discussed by the Executive Board, after consultation with the Remuneration Committee.

It has been reviewed and discussed by the Executive Board on 27 March 2018, after consultation with the Remuneration Committee.

Following the principles described in Chapter II, paragraph a) above, the criteria used to define, divide and distribute fixed, variable and extraordinary components of Didier Fauque total remuneration for year 2018 have been set according to the following description:

➤ Annual fixed remuneration

The fixed annual remuneration is based on the level and complexity of the manager responsibilities, his experience in this function, his length of service in the company and a comparison with standard practices in similar companies and standard market procedures. This remuneration is reviewed quite rarely.

The fixed remuneration amount of Roland Fitoussi remains the same in 2018. His annual fixed remuneration amounts to 74,112 €.

➤ Annual variable remuneration

On 26 March 2018, the Board confirmed the allocation of a variable remuneration for year 2018 to Roland Fitoussi, regarding his mandate of Chairman of the Executive Board.



The variable remuneration due to the Board Chairman for 2018 includes:

- a first variable part set to 25% of the variable remuneration due for 2017 to the CEO (excluding annual bonus);
- a second variable part representing a major part of the variable remuneration amount due to the CEO and subject to the variation of SQLI share price in 2018.

The maximal amount of the CEO variable remuneration for year 2018 (including the bonus) is 91% of his annual fixed remuneration.

Under Article 225-37-2 of the French Commercial Code, the payment of the Board Chairman variable remuneration is submitted to the approval by the General Assembly held in 2019 of the remuneration composition, in compliance with Article 225-100 of the French Commercial Code.

➤ ***Attendance fees***

Roland Fitoussi is entitled to receive attendance fees in 2018. The amount and distribution of attendance fees have been calculated according to his attendance to the Board meetings and to their participation in one or more Committee(s).

7. Nicolas Rebours and Thierry Chemla, Delegated Executive Officers:

➤ **Nicolas Rebours**

M. Nicolas Rebours compensation for his Delegated Executive Officer position was set by the Executive Board during the meeting of 29 July 2013 and confirmed when his mandate was renewed on 25 June 2014.

An annual fixed remuneration is due to Nicolas Rebours for his mandate of Delegated Executive Officer. Monsieur Nicolas Rebours doesn't receive any variable remuneration and other benefit for this mandate.

The fixed annual remuneration is based on the level and complexity of the manager responsibilities, his experience in this function, his length of service in the company and a comparison with standard practices in similar companies. This remuneration is reviewed quite rarely.

Nicolas Rebours annual fixed remuneration remains the same in 2018, since 29 July 2013. This annual fixed remuneration amounts to 20,000€ (gross).



➤ **Thierry Chemla**

On 28 June 2017, the Executive Board decided that Thierry Chemla would not receive any compensation for his mandate of Delegated Executive Officer.

In line with the above, we submit the following project to an ex ante vote.

Resolution project submitted to an ex ante vote, regarding Didier Fauque:

Approval of principles and criteria used to define, divide and distribute all components of the total remuneration and in-kind benefits due to Didier Fauque, as the company CEO

The General Assembly, after acknowledgement of the Executive Board report under Article L 225-37 of the Commercial Code, approves the principles and criteria used to define, divide and distribute all components of the total remuneration and in-kind benefits due to Didier Fauque, such as presented in Chapter II, paragraphs a) and h) of this report.

Resolution project submitted to an ex ante vote, regarding Roland Fitoussi:

Approval of principles and criteria used to define, divide and distribute all components of the total remuneration and in-kind benefits due to Roland Fitoussi, as Chairman of the Executive Board.

The General Assembly, after acknowledgement of the Executive Board report under Article L 225-37 of the Commercial Code, approves the principles and criteria used to define, divide and distribute all components of the total remuneration and in-kind benefits due to Roland Fitoussi, such as presented in Chapter II, paragraphs a) and h) of this report.

Resolution project submitted to an ex ante vote, regarding Nicolas Rebours:

Approval of principles and criteria used to define, divide and distribute all components of the total remuneration and in-kind benefits due to Nicolas Rebours, as DEO

The General Assembly, after acknowledgement of the Executive Board report under Article L 225-37 of the Commercial Code, approves the principles and criteria used to define, divide and distribute all components of the total remuneration and in-kind benefits due to Nicolas Rebours, such as presented in Chapter II, paragraphs a) and h) of this report.



III. INFORMATION ON SQLI SHARE CAPITAL

a) Capital structure, crossings of thresholds and presentation of SQLI major shareholders

➤ Capital structure

It is noted that article 26 of SQLI Statutes gives a double voting right:

- *"to all the totally paid-in shares which will be proved to have been owned by the same shareholder for at least three (3) years;*
- *To the registered shares given to a shareholder, in case of capital increase through reserves incorporation, profit or issue premium, for the old shares he benefits from. "*

Statement regarding crossings of thresholds, in compliance with article L.233-7 of the French commercial code

In a letter received on 13 September 2017, the limited company Amundi (90 boulevard Pasteur, 75015 Paris), acting on behalf of the funds under management⁴⁸, announced that it crossed over the threshold participation of 5% of SQLI shares and voting rights on 12 September 2017, with a resulting ownership, on behalf of the funds, of 232,551 SQLI shares and related voting rights, accounting for 5.96 % of the company share capital and 5.04% of the voting rights, divided as such:

	Shares	% equity	Voting rights	% Voting rights
BFT Investment Management	190,000	4.87 %	190,000	4.12 %
Amundi Asset Management	25,775	0.66 %	25,775	0.56 %
CPR Asset Management	16,776	0.43 %	16,776	0.36 %
Total Amundi	232,551	5.96 %	232,551	5.04 %

This crossing of threshold is due to a market acquisition of SQLI shares.

⁴⁸ CPR Asset Management, Amundi Asset Management and BFT Investment Management, acting on behalf of the funds under management, are controlled by Amundi company. Amundi is a limited company owned for 70% by Crédit Agricole Group. The controlled management companies operate independently from Crédit Agricole SA, following the provisions of articles L. 233-9 of the French Commercial Code and 223-12 of the AMF general rules. 2 For a total equity of 3,899,134 shares representing 4,611,487 voting rights, following article 223-11, alinea 2 of the AMF general rules.



In two letters received on 6 September 2017 and 7 September 2017, the limited company Sycomore Asset Management (14 avenue Hoche, 75008 Paris), acting on behalf of the funds under management, announced that it crossed under:

- for regularization purposes, the threshold participation of 5% of SQLI voting rights on 23 June 2017, with a resulting ownership, on behalf of the funds, of 207,786 SQLI shares and related voting rights, accounting for 5.33 % of the company share capital and 4.51% of the voting rights, and
- the threshold participation of 5% of SQLI voting rights on 6 September 2017, with a resulting ownership, on behalf of the funds, of 189,666 SQLI shares and related voting rights, accounting for 4.86 % of the company share capital and 4.11% of the voting rights.

This crossing of threshold is due to a market sale of SQLI shares.

Following the provisions of Article L 233-13 of the Commercial Code and given the information received under article L 233-7, the participation of shareholders directly or indirectly owning more than 1/20, 1/10, 3/20, 1/5, 1/4, 1/3, half, 2/3, 18/20 or 19/20 of the share capital and voting rights is described as follows:

Threshold	Shareholder crossing over the share capital threshold	Shareholder crossing over the voting rights threshold
5 %	- Roland Fitoussi through Sethi and HIP Fenelon - HIP Fénelon - Financière Arbevel - Otus Capital - Amundi	- Roland Fitoussi through Sethi and HIP Fenelon - Hip Fenelon - Financière Arbevel - Otus Capital - Amundi
10 %	- Roland Fitoussi through Sethi and HIP Fenelon	- Roland Fitoussi through Sethi and HIP Fenelon
15 %		- Roland Fitoussi through Sethi and HIP Fenelon
20 %		
25 %		
1/3		
50 %		
2/3		
90 %		
95 %		



b) Table presenting the current delegations regarding capital increases (article L.L 225-37-4, 3° of the French Commercial Code)

Date of General Assembly	Resolution n°	Purpose of the delegation	Duration of the delegation	Expiry date	Global ceiling (nominal)	Amounts used during year 2017
28 June 2017	16	Increasing the share capital with the issue of ordinary share while retaining the subscription preferential right	26 months	28 June 2019	92,000 euros	NA
28 June 2017	18	Increasing the share capital with the issue of new shares in compliance with articles L.3332-18 and followings of the French Labour Code.	12 months	28 June 2018	14,000 euros	5,183 new shares have been issued for a value of 0,80 € each, representing a capital increase of 4,164.40 €, by decision of the Executive Board on 21 September 2017. This capital increase has been accounted for by the CEO on 29 December 2017.



c) Items likely to have an impact in case of takeover bid

- ✓ To the company knowledge, there is no existing restriction on the exercise of voting rights and share transfer, nor is there any clause in the conventions registered by the company in application of Article L.233-11 of the Commercial Code ;
- ✓ Direct or indirect participations in SQLI equity, of which the company is aware, are presented in Chapter III, paragraph a).
- ✓ There is no existing holder of any securities having special control rights
- ✓ There is no existing control measure in the employees share system when the control rights are not exercised by the employees
- ✓ There is no existing agreement between shareholders known by the company which could generate restrictions to the shares transfer and the exercise of voting rights.
- ✓ The rules applied to the nomination and substitution of the Executive Board members are those requester by the law.

Regarding the amendment of the Company Statutes, article 28 of the Statutes specifies that "the Extraordinary General Assembly can alter any of the Company's Statutes and decide upon the transformation of the Company in another form of company, civil or commercial. This Meeting cannot, however, increase the commitments of the shareholders, subject to the operations that result from regular stock consolidation.

The Extraordinary General Assembly can only legally make decisions if the number of shareholders present or represented, or having voted by post adds up to, on the first convening of the Meeting, the third, and on the second convening of the Meeting, the quarter of shares which have voting rights. If this quorum is not reached, the second Meeting can be adjourned to a later date that must take place within the two months following the second convocation.

The Extraordinary General Assembly rules with the majority of the two-thirds of the votes that have the shareholders present, represented or having voted by post, unless there have been legal infringements with those votes. "

- ✓ The Executive Board has been authorised by the General Assembly to make some issues or repurchase of shares.
A table presenting the current delegations authorized by the General Assembly to the Executive Board members regarding the capital increases and showing the use of these delegations in 2017 is included in the present report.
The General Assembly didn't restrain the Board power to use delegations in case of takeover bid.
- ✓ There is no existing agreement contracted by the company which would be modified or would end in case of change in the company management, considering however that if any third party (other than managing shareholders), acting alone or in concert, would come to own more than 30% of SQLI share capital or voting rights, the company would be compelled to repay the outstanding loans granted as part of the loan agreement dated 16 March 2017 and mentioned above;
- ✓ There is no existing agreement providing damages to the Executive Board members or employees in case of redundancy or resignation without actual and serious basis or contract termination following a takeover bid or public exchange offer.



IV. SHAREHOLDERS PARTICIPATION TO THE GENERAL ASSEMBLY

The company Statutes¹ do not specify any particular terms for the participation to the general assembly. The General Assembly meets in the conditions pursuant to the law and the regulations, at the company headquarters, or any other place indicated in the convening notice.

Any shareholder is allowed to attend the General Assembly, either personally or by proxy, in compliance with the law.

A shareholder can only be represented by his wife/her husband, his partner in a PACS union (registered domestic partnership) or by another shareholder and any other natural or legal person given proxy rights, in compliance with the laws and regulations.

Every shareholder is allowed to vote by using a postal vote by means of a form that s/he can obtain according to the conditions laid out in the notices of meeting and convening for the General Assembly.

In order to make the participation to assemblies easier, and in compliance with the Financial Market Authority recommendations, the law and regulations, the General Assemblies documents are published on the company website, at least 21 days before the assembly date.

A combined General Assembly, ordinary and extraordinary, usually meets in June every year. The participation during the last three years was the following:

- Combined General Assembly of 25 June 2015: the shareholders who were present, represented or sent their vote accounted for 54.5% of voting rights and 55.7% of the total number of votes.
- Combined General Assembly of 25 June 2016: the shareholders who were present, represented or sent their vote accounted for 54.96% of voting rights and 55.94% of the total number of votes.
- Combined General Assembly of 25 June 2017: the shareholders who were present, represented or sent their vote accounted for 38.72% of voting rights and 42.40% of the total number of votes.

V. AGREEMENT(S) MADE BY AN EXECUTIVE MANAGER OR MAJOR SHAREHOLDER OF THE CONTROLLING COMPANY WITH A SUBSIDIARY

In compliance with article L.225-37-4, 2° of the French Commercial Code, there is no existing agreement made in 2017, directly or through a third party, between the CEO, one of the DEO, one of the Board members or one of the shareholders owning more than 10% of SQLI voting rights and a company of which SQLI is a controlling shareholder.

¹ Available at the company headquarters, at the Bobigny Court and on the company website: <http://www.sqli.com>



STAFF

In 2017, SQLI staff number increased (2,272 employees at the end of 2017 against 1,020 in 2016). The employment rate shows a minor decrease of 1.5%, reaching 85% for year 2017.

The average staff number amounts to 2,167 against 1,949 for the previous year, which represents a variation of 11%. In total, the Group recruited 615 employees in 2017, an increase of 6.4%, excluding the newly integrated companies accounting for 228 new employees.

2017 showed a significant increase of the staff turnover rate (21.5% in France) due to the "war for talent" within the sector and the boom of freelancing (millennial).

The Group implemented a series of measures to attract employees in this very tight market, enhanced by the Group transformation plan (Move up 2020 plan). SQLI headquarters have been relocated to Levallois-Perret in February 2018. All the Ile-de-France teams are reunited in these premises which constitute a unique and inclusive site which mirrors the Group ambition and talent.

SQLI aims to become a reference in the sector and be on the list of best places to work, by offering a great working experience to its workforce in order to decrease the staff turnover rate to 15% by 2020.

Table 37. Variation of SQLI staff during the last 2 years

	2017	2016	Variation
Average staff (trainees ex.)	2,167	1,949	+218
Staff registered at 1st January (trainees excluded)	2,020	1,875	+145
Scope variations	228	22	+206
Increase (decrease)	24	123	-99
Staff registered at 31 December (trainees excluded)	2,272	2,020	+252



PARTICIPATION OF EXECUTIVE OFFICERS AND MANAGING AGENTS IN STOCK OPTION

17.1.1. PARTICIPATION

The number of shares granted to the executive officers at 31 December 2017 are presented in the following table:

Table 38. Shares of Executive officers and head managers

	31/12/2017				31/12/2016			
	Shares	% of capital	Voting rights	% of voting rights	Shares	% of capital	Voting rights	% of voting rights
Roland Fitoussi ⁽¹⁾	453,462	11.5 %	795,598	17.3 %	448,957	11.5 %	667,431	15.0 %
Hervé de Beublain ⁽²⁾	25,664	0.6 %	50,527	1.1 %	46,789	1.6 %	106,497	2.4 %
Didier Fauque	10,220	0.3 %	10,220	0.2 %	9,385	0.3 %	9,385	0.2 %
Véronique Reille-Soult de Dalmatie	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Bernard Jacon ⁽³⁾	NA	NA	NA	NA	1,753	0.1 %	6,677	0.2 %
Nicolas Rebours	53	0.0 %	53	0.0 %	53	0.0 %	53	0.0 %
Thierry Chemla	0	0.0 %	0	0.0 %	0	0.0 %	0	0.0 %
Total	489,399	12.4 %	856,398	18.7 %	506,937	13.5 %	790,043	17.8 %

Notes: ⁽¹⁾ Through Hip Fenelon and Sethi companies. Number of registered shares and bearer shares.

⁽²⁾ Through FD5 company.

⁽³⁾ Bernard Jacon is no longer a Board member since the General Assembly held on 28 June 2017

17.1.2. FREE SHARES ALLOCATED TO EXECUTIVE OFFICERS AND MANAGERS

After authorization of the Combined General Assembly of 15 June 2016, the Board decided on 22 February 2017 to distribute:

- 1,500 free shares to Nicolas Rebours, as an employee of the company;
- 1,437 free shares to Didier Fauque, as part of his remuneration for year 2016.



17.1.3. STOCK OPTIONS AND BCE GRANTED TO THE COMPANY EXECUTIVE OFFICERS AND MANAGERS

BSA

On 16 September 2014, the Executive Board granted 215,784 BSA to Didier Fauque, CEO (143,856 BSA) and Thierry Chemla, DEO (71,928 BSA).

The conditions of this allocation are the following:

- Each BSA gives a right to subscribe one new share at the exercise price of 19.90 €;

- BSA can be exercised for a period of three years following the second anniversary of the date of issue by the Board.
- They are divided in 3 categories of 71 928 BSA, submitted to performance conditions regarding SQLI share price which must be higher than 25, 30 and 35 €;

16,900 BSA have been exercised during the year and 215,784 are still to be exercised at 31 December 2017.

Stock purchase warrants

Allocations in 2014

On 5 November 2014, the Executive Board granted 48,000 stock options to employees and executive managers.

The options will have to be exercised before the 6 November 2019 and the share purchase price is 16 €.

In 2017, 31,350 warrants have been exercised with the issue of 31,350 new SQLI shares. At 31 December 2017, 12,650 stock options are still to be exercised.

Allocations in 2017

On 22 February 2017, the Executive Board granted 28,000 stock options to employees and executive managers.

The conditions of this allocation are the following:

- the options will have to be exercised before 22 February 2024 at the latest ;
- The 10,000 options allocated to Didier Fauque can not be exercised before 23 February 2019;
- The remaining 18,000 options can not be exercised before 21 December 2020;
- Anybody leaving the company before the start of the options exercise period will lose his exercise right.
- The share purchase price is set to 32.84 €.

1,000 stock options have been cancelled in 2017 following the departure of two beneficiaries. At 31 December 2017, 27,000 stock options give right to 27,000 shares.



PARTICIPATION OF EMPLOYEES IN SQLI CAPITAL

17.2.1. FREE SHARES

The General Assembly of 15 June 2016 authorised, with Resolution n° 10, the Executive Board to allocate existing free shares, limited to 30,000 shares, to the employees and/or the executive officers. This authorisation is valid for 38 months.

Since the beginning of year 2017, the Executive Board, exercising the authorization given by the extraordinary General Assembly of 15 June 2016, decided on 22 February 2017, to grant (i) 22,437 free shares to Didier Fauque (CEO) and to certain employees including Nicolas Rebours, employee and Delegated Executive Officer. 1,000 free shares have been cancelled in 2017 following the departure of two beneficiaries.

A total of 8,563 free shares can be allocated by the Executive Board.

Group Saving Plan (PEG)

At the end of the year, through the Group Saving Plan, the employees held 1.7 % of SQLI capital and 2.5% of voting rights.

On 29 December 2017, the Delegated Executive Officer registered the subscription of 5,183 shares by the employees members of the "PEE" Group Saving plan, such as indicated in paragraph 21.1.7. *"Evolution of share capital during the year"*.

Participation of employees to the fruit of expansion

A holding agreement for companies which are part of the Economic and Social Unity has been concluded during the first half of 2009.

At the end of the year, the participation of employees to the fruits of the group's expansion and those of the companies related according to Article 225-180 of the Commercial Code, amounted to zero.

17.2.2. STOCK OPTIONS AND WARRANTS FOR SUBSCRIPTION TO BUSINESS CREATOR SHARES

The General Assembly of 15 June 2016 authorised, with Resolution n° 11, the Executive Board to allocate stock options, limited to 30,000 corresponding shares, to the employees and/or the executive officers. This authorisation is valid for 38 months.

Following the authorisation granted by the General Assembly of 15 June 2016, the Executive Board allocated 28,000 stock options to employees and executive managers in 2017.

1,000 stock options have been cancelled in 2017 following the departure of two beneficiaries. At 31 December 2017, 27,000 stock options give right to 27,000 shares and 3,000 shares remain available through an new allocation of option by the Executive Board.



Stock options and BSPCE allocated to the Executive Officers, managers, managing agents, and employees

Information related to shares allocations and BSPCE granted to Head managers and Executive Officers are exposed in paragraph 17.2.3. *"Stock options and BCE granted to the company executive officers and managers"*

BSPCE granted to managing agents and employees by the

related companies according to article L. 225-180 of the Commercial Code

There has not been any stock option, security, or credit granted to the employees, managing agents or head managers related to the functions or mandates exercised within the group, neither by companies which are linked to SQLI pursuant to article L.225-180 of the Commercial code, nor by companies controlled by the group pursuant to article L.233-16 of the Commercial Code.



Chapitre 18. MAIN SHAREHOLDERS

DISTRIBUTION OF CAPITAL

According to the statements on crossings of thresholds presented to the Financial Market Authority and the company, the company equity distribution in the last three financial years is as follows: The company does not register any other shareholder who would own personally or in unison 5% or more of the capital or the voting rights.

Table 39. SQLI main shareholders

	2017				2016				2015			
	Shares	% of capital	Voting rights	% of voting rights	Shares	% of capital	Voting rights	% of voting rights	Shares	% of capital	Voting rights	% of voting rights
Nominative shareholders	828,212	20.9 %	1,510,985	32.9 %	1,000,020	27.1 %	1,695,898	38.2 %	1,101,930	9.5 %	1,966,677	44.1 %
Roland Fitoussi (Sethi, HIP)	453,462	11.5 %	795,598	17.3 %	448,957	11.6 %	791,093	17.4 %	342,136	9.5 %	537,469	12.1 %
Didier Fauque	10,220	0.3 %	10,220	0.2 %	9,385	0.3 %	9,385	0.2 %	NA	NA	NA	NA
Bernard Jacon	NA	NA	NA	NA	1,753	0.0 %	3,420	0.1 %	4,740	0.1 %	9,480	0.2 %
FD5 (and family de Beublain)	25,664	0.6 %	50,527	1.1 %	46,789	1.6 %	92,652	2.0 %	45,863	1.3 %	91,726	2.1 %
Executive Board	489,346	12.4 %	856,345	18.7 %	506,884	13.1 %	896,550	19.7 %	NA	NA	NA	NA
Laurent de Roover	29,101	0.7 %	58,202	1.3 %	48,372	1.3 %	96,744	2.2 %	48,372	1.3 %	96,744	2.2 %
Thomas Rocmans	48,372	1.2 %	96,744	2.1 %	48,372	1.3 %	96,744	2.2 %	48,372	1.3 %	96,744	2.2 %
X-Chain Holding	48,372	1.2 %	96,744	2.1 %	48,372	1.3 %	96,744	2.2 %	48,372	1.3 %	96,744	2.2 %
Patrick Lacarrière Family	39,240	1.0 %	78,480	1.7 %	39,240	1.1 %	78,480	1.8 %	39,240	1.1 %	78,480	1.8 %
Employed shareholders (PEG)	68,034	1.7 %	115,090	2.5 %	78,485	2.0 %	132,539	2.9 %	74,069	2.1 %	111,104	2.5 %
Other nominative shareholders	105,747	2.7 %	209,380	4.6 %	76,423	2.0 %	152,068	3.3 %	235,484	6.6 %	417,623	9.4 %
Self-control	56,085	1.4 %	-	-	78,617	2.0 %	-	-	61,405	1.7 %	-	-
Public	3,075,241	77.7 %	3,075,241	67.1 %	2,932,102	76.0 %	2,932,102	64.5 %	2,433,663	67.7 %	2,433,663	54.6 %
Financière Arbevel	269,418	6.8 %	269,418	5.9 %	290,337	7.5 %	290,337	6.4 %	NA	NA	NA	NA
Otus Capital	253,528	6.4 %	253,528	5.5 %	237,118	6.1 %	237,118	5.2 %	NA	NA	NA	NA
Amundi	232,551	5.9 %	232,551	5.1 %	NA	NA	NA	NA	NA	NA	NA	NA
Total	3,959,538	100 %	4,586,226	100 %	3,856,923	100.0 %	4,548,287	100.0 %	3,596,998	100 %	4,461,754	100 %



18.0.1. STATEMENTS ON CROSSING OF THRESHOLDS DURING THE LAST THREE YEARS

During the last three years, the following statements of crossings of thresholds have been made towards the Financial Market Authority and presented to the company:

Table 40. Statements of threshold crossings of SQLI capital during the last three years

Reference	Date of statement	Date of application	Statement of intention	Type	Threshold	Transaction	Related companies or persons	Number of shares	% of capital	Number of voting rights	% of voting rights
217C2118	13/09/2017	12/09/2017	No	Increase	5 %	Acquisition on the market	Amundi	232,551	5.96 %	232,551	5.04 %
217C2089	07/09/2017	06/09/2017	No	Decrease	5 %	Transfer on the market	Sycomore AM	189,666	4.86 %	189,666	4.11 %
216C1973	05/09/2016	02/09/2016	No	Increase	5 %	Acquisition on the market	Otus Capital Management Limited	234,082	6.21 %	234,082	5.27 %
216C1582	05/07/2016	30/06/2016	No	Decrease	5 %	Transfer on the market	Moneta AM	175,000	4.75 %	175,000	3.94 %
216C1473	23/06/2016	22/06/2016	No	Decrease	5 %	Transfer on the market	Moneta AM	217,711	5.91 %	217,711	4.91 %
216C0428	08/02/2016	22/01/2016	No	Increase	5 %	Acquisition on the market	Moneta AM	228,688	6.23 %	228,688	5.18 %
216C0152	14/01/2016	12/01/2016	No	Increase	5 %	Acquisition on the market	Moneta AM	187,554	5.11 %	187,554	4.24 %
215C1798	25/11/2015	23/11/2015	No	Increase	5 %	Acquisition on the market	Sycomore AM	252,673	6.88 %	252,673	5.72 %
215C1466	21/10/2015	16/10/2015	No	Increase	5 %	Acquisition on the market	Sycomore AM	201,707	5.50 %	201,707	4.56 %
215C1096	21/07/2015	17/07/2015	No	Decrease	5 %	Transfer on the market	Aurinvest	100,000	2.77 %	200,000	4.49 %
215C0504	23/04/2015	22/04/2015	No	Increase	5 %	Acquisition on the market	Financière Arbevel	207,128	5.74 %	207,128	4.65 %



MAIN SHAREHOLDERS VOTING RIGHTS

On 21 March 2000, the Combined General Assembly decided to create double voting rights, recorded in the Company statutes.

Article 26 - QUORUM - VOTE

1. The quorum is calculated using all of the shares that make up the capital, except in Special Shareholders' Meetings where it is calculated using all of the shares of the particular share category concerned, all of these are calculated less those shares which hold no voting rights according to the dispositions laid out in the law.

In the case of postal voting, only those votes which are duly completed and received by the Company at least three days before the date of the General Assembly will be taken into account in the calculation of the quorum.

2. The voting rights related to capital share or bonus share is proportional to the percentage of capital represented. Each share gives one voting right.

3. Exceptionally, a voting right, accounting for twice the others that were granted according to their capital quote, can be granted:

- To all the totally paid-in shares which will be proved to have been owned by

Article 26, included in Statutes is exposed below.

the same shareholder for at least three (3) years;

- To the registered shares given to a shareholder, in case of capital increase through reserves incorporation, profit or issue premium, for the old shares he benefits from.

The double voting right expires for any share that was subject to a conversion to the holder or a transfer. However the transfers due to inheritance or family donation to a relative do not lead to a termination of the voting rights nor stop the three years deadline.

The possible merger or separation of the company does not have any effect on double voting rights which can be exercised within the purchasing company if allowed by its Articles of association.

4. Voting takes place by a show of hands, or by a nominal call or by a secret ballot according to the decision of the office of the General Assembly or by the shareholders. Shareholders can also make use of postal voting.

OWNERSHIP OR CONTROL OF SQLI

As explained in paragraph 18.1. "*SQLI Shareholders*", the company capital is divided between many shareholders ; None of them (except Roland Fitoussi, Chairman of the Board) owns more than 10% of the capital or voting rights. Therefore, no shareholder can control the decisions related to the company during the General Assemblies meetings.



AGREEMENT LIKELY TO ALTER THE CONTROL OF THE COMPANY

18.3.1. SHAREHOLDERS AGREEMENTS AND OTHER

There is not any existing agreement between shareholders or other related to SQLI share capital and likely to lead to changes in the company management.

According to article L. 225-100-3 of the Commercial Code. Following this article, the company guarantees that:

- There is no existing restriction on the exercise of voting rights and share transfer, nor is there any clause in the conventions registered by the company in application of Article L.233-11 ;
 - There is no existing holder of any securities having special control rights
 - There is no existing control measure in the employees share system when the control rights are not exercised by the employees
 - There is no existing agreement between shareholders known by the company which could generate restrictions to the shares transfer and the exercise of voting rights.
- The rules applied to the nomination and substitution of the Executive Board members, and to the modification of the company statutes are those requester by the law.
 - The Executive Board has been authorized by the General Assembly to make some issues or repurchase of shares. A table presenting the current delegations authorized by the General Assembly to the Executive Board members regarding the capital increases is included in the present report. For more information, see Chapter 21.1.5. *"Conditions of purchase and obligation rights in case of capital increase"*
 - There is no existing agreement contracted by the company which would be modified or would end in case of change in the company management.



DESCRIPTION OF CONVENTIONS

The information regarding deals with related firms is detailed in the "*Statutory auditors report on regulated agreements*". The company did not record any other regulated convention or deal than those exposed below.

STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS IN 2016

Exco Paris Ace
5, avenue Franklin Roosevelt
75008 Paris
S.A. au capital de € 2 250 400

Member of la compagnie
régionale de Paris

ERNST & YOUNG et AOthers
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. à capital variable

Member of la compagnie
régionale de Versailles

SQLI

General Assembly presiding on year closed on 31 December 2016

Statutory auditors' report on regulated agreements and commitments

To the Shareholders,

Being the statutory auditors appointed by your company, we present thereafter our report about authorized agreements.

Our mission is to inform you, on the basis of the information provided to us, of the terms, conditions, specificities, and main characteristics, as well as the reasons for the company's interest, of the conventions and regulated commitments indicated to us or discovered during our mission achievement. It is not our role to comment as to whether they are beneficial or appropriate. It is your responsibility, in compliance with article R. 225-31 of the Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

Furthermore, it is our mission, when applicable, to give you the information, mentioned in R. 225-31 of the Commercial Code, related to the execution during the past year of conventions and commitments already approved by the General Assembly.

We conducted our work in accordance with professional standards applicable in France.



Conventions and commitments submitted to the General Assembly approval

In application of article L. 225-40 of the French Commercial Code we have been advised of the agreements which were authorised by your Executive Board.

1. With LVCT

Person in charge:

Bernard Jacon, Executive Board member of your company and Head manager of LVCT.

Nature and object:

The Executive Board met on 15 December 2015 concluded a assistance service agreement between SQLI and LVCT.

Conditions:

LVCT commits to provide SQLI, following the requests submitted by your company, assistance services related to the implementation of the execution strategy for external growth operations.

In payment for these services, LVCT will receive a compensation whose terms and amounts will be fixed by mutual agreement, depending on the type of task entrusted by SQLI to LVCT as part of the Convention. Regarding the first task given to LVCT under the Convention, which is related to the presentation of targets, it has already been decided that LVCT would receive, within 30 days from the date of issue of the invoice, a payment of 30,000 € (before taxes) for the meetings already organised and those to be organised before 31 December 2016. The invoice shall include the meetings already organised by LVCT at the date of issue.

The Convention will be effective from the date of signature and for a period of one year.

The Convention has been signed on 28 January 2016 and the 30,000 € invoice (before taxes) issued on 1st February 2016.

Explanations of the interest of the agreement for the Company

The Executive Board explained this agreement as follows:

The conclusion of this agreement is a great opportunity in line with the social interests of the company which can benefit from the skills, proven experience and network of Bernard Jacon, CEO of LVCT, in the fields of NGE and IT, in order to promote the development of execution strategy for external growth operations.

2. 2) With M. Didier Fauque, CEO of your company:

Nature and object:

Agreement regarding pension, health and social security schemes, allocation of free shares and non-competition clause following the renewal of his Board member mandate by the Executive Board on 28 April 2016.



Conditions:

The company agreed to take the following commitments towards M. Didier Fauque, for his CEO mandate:

a) Commitment in terms of pension and social security benefits

- Commitment in terms of pension, health and social security benefits contracted by the Company for the Executive managers;
- Social guarantee for company managers and executives (GSC); "formule 70", for a maximal period of twenty-four months.

b) Allocation of free shares

- Allocation every year of a number of free shares amounting to 20,00 €/SP free shares, SP being the stock market price of your company at 31 December of the reporting year.
- In 2016, 1,437 shares have been allocated.

c) Non-competition clause

- In case of termination of Didier Fauque CEO mandate, for any reason, the company will be allowed to forbid him to take the function of CEO, consultant or employee in any company in the same business field in France, for a period of twenty-four months.
- This non-competition clause, if activated by the company, will give right to a compensation of 60% of:

(i) his annual fixed wages

(ii) the variable remuneration for the financial year preceding Didier Fauque departure, to be paid every month during the period of application of the non-competition clause. The variable amount is 120,000 €/ year.

Explanations of the interest of the agreement for the Company

The Executive Board explained this agreement as follows:

Didier Fauque mandate renewal is submitted to the validation of the conditions and commitments exposed in this document, which integrate the recommendations of the Compensation committee related to his compensation.

3. With Thierry Chemla, Delegated Executive Officer of your company:

Nature and object:

On 21 July 2016, the Executive Board approved the amendment of Thierry Chemla work contract in order to extend his extra bonus.

Conditions:

Thierry Chemla will receive until 31 December 2020, an extra bonus consisting in a specific target premium related to SQLI performance, for an annual amount of 20,000 €.

This commitment is to be confirmed by the signing of a covenant included in Thierry Chemla employment contract.



Explanations of the interest of the agreement for the Company

The Executive Board explained this agreement as follows:

The extension of this extra bonus has been unanimously approved, with the same terms and conditions, in recognition of the excellent work accomplished by Thierry Chemla and in order to encourage his efforts and motivation in his work.

Conventions and commitments already approved by the General Assembly

In application of article R. 225-30 of the Commercial Code, we have been informed that the agreements approved by the General Assembly during the previous financial years have been ongoing during the course of the last financial year.

1. 2) With M. Didier Fauque, CEO of your company:

Nature and object:

Commitments regarding layoff compensations, non-competition allowance and health Company schemes for the period between 1st January and 7 May 2016 (end of his first mandate).

Conditions:

The company agreed to pay M. Didier Fauque, for his CEO mandate, the following amounts:

- a termination allowance of 430,000 euros (gross) with deduction of the amounts due for the non-competitive obligation, as described above, if the termination is due to a revocation, a requested resignation or a non-renewal of CEO function during a period of 18 months starting from 7 May 2013 until 6 November 2014, and as long as there hasn't been any downgrading of the group main indicators and in compliance with Article L. 225-42-1 of the French Commercial Code.
- On 28 November 2013, the Executive Board added that this allowance will not be granted if SQLI COR, as specified in the consolidated accounts for year closed on 31 December 2013 by SQLI Executive Board ("Consolidated accounts 2013") (or in the semi-annual consolidated accounts of 30 June 2014 if these semi-annual accounts have been closed by the Executive Board at the effective date of termination of the CEO mandate ("Semi-annual consolidated accounts 2014"), is lower than 2.90% of the turnover, as stated in the Consolidated accounts 2013 or in the Semi-annual consolidated accounts 2014 (if the semi-annual accounts have been closed by the Executive Board at the effective date of termination of the CEO mandate). Consequently, point 7 of the document entitled "Mandate of M. Didier Fauque dated 7 May 2013" was added by means of a supplementary agreement;
- If the CEO mandate was to be revoked before 30 April 2014, a monthly compensation will be paid until 30 April 2014, regarding M. Fauque non-competitive obligation, equal to:
 - (i) 100% of his annual fixed wages and
 - (ii) 1/12 of the variable remuneration for the financial year preceding the CEO revocation.



- If the company extends the non-competitive obligation for 12 months after 1st May 2014, a monthly compensation equal to 60% of:
 - (i) his annual fixed wages and
 - (ii) the variable remuneration for the financial year preceding the CEO departure will be paid every month during this period.
- the benefit of pension, health and social security Company schemes for managers and from a life-insurance contract with fixed contributions subscribed by SQLI for the company employees (Article 83 of French Code Général des Impôts).

SQLI didn't implement any of these provisions in 2016.

2. With M. Yahya El Mir, former Chairman and CEO of your company

Nature and object:

The Executive Board authorized on 30 June 2008 the contraction of a non-competition obligation by Monsieur Yahya El Mir in exchange of a compensation given by the company.

Conditions:

This non-competition obligation prevents Monsieur Yahya El Mir for a duration of 5 years starting with the termination of his functions in the group, decided for any possible reason (retirement, dismissal, termination of the mandate...) from:

- I. showing any direct or indirect interest, for himself or a third party, as an employee or managing agent, for the competitors of the company listed in the study made in January 2008 by Pierre Audoin Consultants, or for the companies controlled by or controlling these competitors, according to Article L.233-3 of the Commercial Code;
- II. purchasing, directly or indirectly, holdings in a competitive firm capital for more than 2% in shares or voting rights, except if this acquisition is due to an agreement between SQLI and the company.

This non-competitive obligation is geographically limited to France, Belgium, Switzerland, Luxembourg, Morocco and Canada ; and is limited to SQLI activities.

In exchange this obligation, the company will give him financial compensation paid during five years and equal to 60% of his total gross remuneration (fixed, variable and in-kind benefits), granted for the last twelve months of activity within the group. This compensation amounts then to 300% of his total gross remuneration (fixed, variable and in-kind benefits) granted for the last twelve months of activity within the group. The compensation will be paid as follows:

- 80% will be paid in one time within the 30 days following the termination of his function in the group ;
- 20% will be paid in sixty monthly payments.



In case of violation of the non-competitive obligation by Monsieur Yahya El Mir, the company will be liberated from any obligation to pay the compensations described above. The compensations already paid will be acquired by Monsieur Yahya El Mir, who will have to give back a percentage of the paid compensations, corresponding to the months remaining between the date of the violation and the ending date of the obligation.

SQLI company registered and charge of 7,554 € for the year related to this agreement.

Paris and Paris-La Défense, on 26 avril 2017

The Statutory Auditors

Exco Paris Ace

ERNST & YOUNG et AOthers

Alain Auvray

Jean-Christophe Pernet



STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS AND COMMITMENTS IN 2017

Exco Paris Ace
5, avenue Franklin Roosevelt
75008 Paris
S.A. au capital de € 2.250.400
380 623 868 R.C.S. Paris

Member of la compagnie
régionale de Paris

ERNST & YOUNG et AOthers
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Statutory Auditors
Membre de la compagnie
régionale de Versailles

SQLI

General Assembly presiding on year closed on 31 décembre 201

Statutory auditors' report on regulated agreements and commitments

To SQLI General Assembly,

Being the statutory auditors appointed by your company, we present thereafter our report about authorized agreements.

Our mission is to inform you, on the basis of the information provided to us, of the terms, conditions, specificities, and main characteristics, as well as the reasons for the company's interest, of the conventions and regulated commitments indicated to us or discovered during our mission achievement. It is not our role to comment as to whether they are beneficial or appropriate. It is your responsibility, according to article R. 225-31 of the Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

Furthermore, it is our mission, when applicable, to give you the information, mentioned in R. 225-31 of the Commercial Code, related to the execution during the past year of conventions and commitments already approved by the General Assembly.

We conducted our work in accordance with professional standards applicable in France.



Conventions and commitments submitted to the General Assembly approval

In application of article L. 225-40 of the French Commercial Code we have been advised of the agreements which were authorised by your Executive Board.

With LVCT

Person in charge:

Bernard Jacon, Executive Board member of your company and Head manager of LVCT.

Nature and object:

The Executive Board met on 26 April 2016 concluded a assistance service agreement between SQLI and LVCT.

Conditions:

LVCT commits to provide SQLI services of identification of potential targets and assistance with contacting the potential sellers and conducting negotiations with the potential seller(s) of the potential offered company(ies).

In remuneration for these services, LVCT will receive an annual fixed compensation of 50,000 euros (before tax) paid every three months starting from 1st June 2017 and a proportional compensation equal to 0.5% of the transaction amount (paid by SQLI for the acquisition).

This agreement came into force on 1st June 2017 for a duration of twelve months.

The agreement resulted in a payment of 32,500 € (bef. tax) for year 2017.

Explanations of the interest of the agreement for the Company

The Executive Board explained this agreement as follows:

The conclusion of this agreement is a great opportunity in line with the social interests of the company which can benefit from the skills, proven experience and network of Bernard Jacon, CEO of LVCT, in the fields of NGE and IT, in order to promote the development of execution strategy for external growth operations.

b) Nature and object:

The Executive Board held on 26 April 2017 concluded a service agreement between SQLI and LVCT.

Conditions:

This agreement deals with Bernard Jacon participation in SQLI Strategy Committee as an external advisor. In remuneration for these services, LVCT will receive an annual fixed compensation of 15,000 € (bef. tax) paid every three months.

This agreement came into force on 1st July 2017 for a duration of twelve months.

The agreement resulted in a payment of 11.250 € (bef. tax) for year 2017.

Explanations of the interest of the agreement for the Company

The Executive Board explained this agreement as follows:



The conclusion of this agreement is a great opportunity in line with the social interests of the company which can benefit from the skills, proven experience and network of Bernard Jacon, CEO of LVCT, in the fields of NGE and IT, in order to promote the development of execution strategy for external growth operations.

Conventions and commitments already approved by the General Assembly

In application of article R. 225-30 of the Commercial Code, we have been informed that the agreements approved by the General Assembly during the previous financial years have been ongoing during the course of the last financial year.

1. 2) With M. Didier Fauque, CEO of your company:

Nature and object:

Agreement regarding pension, health and social security schemes, allocation of free shares and non-competition clause following the renewal of his Board member mandate by the Executive Board on 28 April 2016.

Conditions:

The company agreed to take the following commitments towards M. Didier Fauque, for his CEO mandate:

a) Commitment in terms of pension and social security benefits

- Commitment in terms of pension, health and social security benefits contracted by the Company for the Executive managers;
- Social guarantee for company managers and executives (GSC); "formule 70", for a maximal period of twenty-four months.

b) Allocation of free shares

- Allocation every year of a number of free shares amounting to 20,00 €/C, C being the stock market price of your company at 31 December of the reporting year.
- The Executive Board meeting on 26 March 2018 allocated 565 shares to Didier Fauque for year 2017.

c) Non-competition clause

- In case of termination of Didier Fauque CEO mandate, for any reason, the company will be allowed to forbid him to take the function of CEO, consultant or employee in any company in the same business field in France, for a period of twenty-four months.
- This non-competition clause, if activated by the company, will give right to a compensation of 60% of:

(i) (i) his annual fixed wages

(ii) (ii) the variable remuneration for the financial year preceding Didier Fauque departure, to be paid every month during the period of application of the non-competition clause. The variable amount is 120,000 €/ year.



2. With Thierry Chemla, Delegated Executive Officer of your company:

Nature and object:

On 21 July 2016, the Executive Board approved the amendment of Thierry Chemla work contract in order to extend his extra bonus.

Conditions:

Thierry Chemla will receive until 31 December 2020, an extra bonus consisting in a specific target premium related to SQLI performance, for an annual amount of 120,000 €.

The 60,000 payment for year 2017 was made in January 2018.

Paris and Paris-La Défense, 17 April 2018

The Statutory Auditors

Exco Paris Ace

ERNST & YOUNG et AOthers

Alain Auvray

Jean-Christophe Pernet



Chapitre 20. FINANCIAL INFORMATION ABOUT THE GROUP ASSETS, ITS FINANCIAL SITUATION AND THE ISSUER RESULTS

HISTORICAL FINANCIAL STATEMENT - BALANCE SHEET AND SOCIAL ACCOUNTS

20.0.1. BALANCE SHEET

In euros	Net at 31/12/2017	Notes	Net at 31/12/2016
ASSETS			
Intangible fixed assets	24,547,144	1	23,931,221
Tangible fixed assets	3,128,878	2	2,822,502
Financial assets	75,243,792	3	45,651,176
CAPITAL ASSETS	102,919,814		72,404,899
Advances and deposits paid on order	0		0
Customers and related accounts	46,434,529	4	48,370,147
Other receivables	39,243,237	5	36,390,539
Cash position	5,446,996	7	2,850,387
Deferred charges	2,055,146	8	1,895,710
CURRENT ASSETS	93,179,908		89,506,783
Translation differences - Assets	5,827		4,498
TOTAL OF ASSETS	196,105,549		161,916,180
LIABILITIES			
Equity	3,167,630		3,085,538
Issue, merger and transfer related premium	38,430,097		36,827,489
Legal provision	308,554		294,873
Regulated reserve	272,850		272,850
Retained earnings	22,627,506		20,594,078
Profit (loss) of the year	(4,459,389)		5,464,843
Regulated provisions	775,132	11	614,719
OWN EQUITY	61,122,380	9	67,154,390
Advances with conditions	0		22,426
OTHER OWN FUNDS	0	10	22,426
Provisions for risks	626,228		285,743
Provisions for charges	557,876		42,001
PROVISIONS FOR RISKS AND CHARGES	1,184,104	12	327,744
Loans and debts with credit institutions	44,815,232	13	14,599,455
Other payables and financial loans	14,766,709	14	15,209,638
Debts with suppliers and related accounts	25,983,447		21,055,401
Tax and social debts	33,277,952	15	34,180,371
Debts on fixed assets	3,347	16	23,845
Other payables	8,257,460	17	4,577,956
Unearned revenues	6,535,754	19	4,663,799
DEBTS	133,639,901		94,310,465
Translation differences - liabilities	159,164		101,155
TOTAL OF LIABILITIES	196,105,549		161,916,180

The appendix attached is included in the financial statements.



20.0.2. SOCIAL ACCOUNTS

In euros	Net at 31/12/2017	Notes	Net at 31/12/2016
Turnover	148,288,424	20	140,472,302
Capitalised production	689,084	21	354,387
Operating subsidies	256,482		265,470
Recovery on depreciation and provisions	208,955	29	251,117
Transfer of costs	720,330	32	543,273
Other income	4,948,638	22	4,379,366
OPERATING INCOME	155,111,913		146,265,915
Other external purchases and costs	57,846,277	23	47,248,630
Taxes and dues	4,137,650	24	4,050,301
Wages and allowance	66,558,221		61,834,383
Social costs	28,585,950		27,040,624
Allowance for depreciation and provisions:			
on fixed assets : allowance for depreciation	1,154,906	1 and 2	862,602
on outstanding assets: Allowance to provisions	768,956	29	0
For risks and charges: Allowance to provisions	702,049	29	220,126
Other charges	124,555		90,672
OPERATING CHARGES	159,878,564		141,347,338
OPERATING PROFIT (LOSS)	(4,766,651)		4,918,577
Financial income	182,695		628,876
Financial charges	1,209,951		852,040
FINANCIAL PROFIT (LOSS)	(1,027,256)	25	(223,164)
CURRENT PROFIT (LOSS) BEFORE TAXES	(5,793,907)		4,695,413
Extraordinary income	1,400,136		1,035,709
Extraordinary charges	2,246,532		1,129,391
EXTRAORDINARY PROFIT (LOSS)	(846,396)	28	(93,682)
CORPORATE TAX	(2,180,914)	30	(863,112)
NET PROFIT (LOSS)	(4,459,389)		5,464,843

The appendix attached is included in the financial statements.



A. Activity

Created in 1990, SQLI is the reference partner for companies operating a digital transition of their customer processes and all the internal services related. With a unique positioning covering marketing and technology, SQLI uses a global approach to meet the needs of developing sales and reputation (digital and social marketing, customer experience, e-Commerce, data intelligence), and productivity and internal efficiency goals (digitalization of operations, collaborative activity, mobility and connected devices, CRM...)

SQLI is listed on NYSE Euronext Paris, compartment C (ISIN FR0011289040).

B. Important events during the year

SQLI European subsidiaries confirmed their good results in 2017, with the acquisition of STAR REPUBLIC in Sweden and OSUDIO in the Netherlands and Germany. The company had some punctual issues in France in 2017, which are currently being resolved. The company international network owns twelve subsidiaries, mainly located in Northern Europe.

SQLI SA turnover amounted to 148. M€ in 2017 (+5.5% compared with last year). The Group turnover amounted by 11% to reach 212.0 M€. The organic growth is +5 % (exc. perimeter and exchange rate variations).

The growth is due to a strong development of e-commerce platforms-related services, marketing and digital communication. These strategic activities benefited from an increase of major projects (each of them employing 50 engineers) and allowed to gain new prestigious clients like Arcelor, Generali and Michelin. The average daily rate increased by 4% on the year (476 €) thanks to the Group positive positioning.

The operating result decline is due to a bad operating performance in France, mainly in Paris, and to the overinvestment needed for the implementation of the strategy plan. These factors led to a high turnover rate (21%) and affected the employment rate (85%). A short-term action plan has been implemented at the end of last year, helping to improve operational figures between the 1st and the 2^d half of 2017.

The operating result includes 1 M€ of costs related to the relocation of Parisian offices as part of the company relocation in February 2018 and 2.2 M€ of restructuring costs.

At 31 December 2017, SQLI has a strong balance sheet with 61.1 M€ of own equity and 54.2 M€ of financial debt (25.6 M€ for the Group), after payment of the two acquisitions made during the year. The balance sheet takes into account the negative result of the year and shows a potential leverage with the exercise of BSAAR expiring in March 2018 (5.4 M€ if all the BSAAR were exercised).

SQLI ambition is to reach a turnover of at least 240 M€ in 2018 and an EBITDA of 20 M€. In order to reach this objective, SQLI intends to increase international revenues and the average daily rate, and to regain contribution of the Paris agency following a plan of actions under progress. The amount of extraordinary charges is expected to show a significant fall.

SQLI also confirms its expectation of EBITDA regular progress, in order to reach 12% of the turnover, following the Move Up 2020 plan. The company results between now and 2020 will be critical to assert SQLI position as a potential leader of the connected commerce market.

SQLI contracted a management lease for WAX INTERACTIVE and WAX INTERACTIVE Lille businesses starting on 1st January 2017.



C. Events recorded after the accounts closing

There has been no significant event registered after the accounts closure which could alter the accounts presented thereafter.

D. Accounting rules and procedures

The annual accounts have been drawn up in euro and presented in accordance with the currently accepted accounting rules and principles, applicable on 27 March 2018, date of closure by the Executive Board.

The general accounting agreements were applied respecting with caution and in accordance with the basic assumptions:

- continuity of operation,
- consistent accounting methods,
- independence of each financial year,

and respect of global rules for the elaboration and presentation of annual accounts.

The basic method retained to evaluate the booked elements is the historical costs method.

Changes in the accounting procedures

There hasn't been any change in the accounting procedures during the year.

Changes in accounting estimates

There hasn't been any change in the accounting procedures during the year.

The main procedures are the following:

a. Intangible fixed assets

The intangible fixed assets are registered at their acquisition cost.

The businesses are recorded at their acquisition cost (excluding incidental expenses who are recorded as charges for the year).

The technical excess coming from the universal transfer of assets of a subsidiary is registered in intangible assets. It is booked in the underlying assets related to the underlying gains registered during the UTA operations which generated this technical excess. If need be, the excess representing the loss or "real mali" is registered in financial costs.

The technical excess is depreciated following the same rules and conditions as those regarding the related underlying assets.

Businesses and technical excess are submitted to a test of loss of value at least once a year or more frequently if there are existing losses of value.

The company does not tie up its R&D costs and records it as charges. They consist in staff costs of researchers and functioning costs.

b. Tangible fixed assets

Tangible assets are registered at their acquisition cost. In application of the CRC regulation N° 2004-06, the management chooses not to incorporate the costs of loans into the value of the fixed assets.

According to the rules defined by the CRC regulation N° 2002-10, the fixed assets must be broke down into individualized elements with a different duration of use. We did not identify in our capital assets liable to be the object of a breakdown by component.

Thus the depreciation is calculated using the straight-line method (L) in accordance with the expected life cycle of the asset, as follows:

- General premises:	L on 8 years
- IT equipment:	L on 2 years
- Office equipment:	L on 5 years
- Transport equipment:	L on 4 years



c. Securities

The securities are registered at their acquisition price. Price supplements of acquisition prices are estimated and represent a part of this acquisition price.

In application of the CRC regulation N° 2004-06, acquisition fees brought before 2006 represent part of the acquisition cost. The costs incurred from 2006 are spread on 5 years by means of an accelerated depreciation which starts with the securities acquisition date.

At the end of each financial year, the historical value of the equity shares is compared to the going value. The going value of a security is proportionally related to net assets increased (adjusted with gains and losses), to the expected trend of results and to the participation economic interest for the group.

The unfavorable variations are the object of provisions for depreciation of securities.

d. Other financial assets

The 20 years loans granted by the company on its obligation to participate to the construction are capitalized according to the OAT 10 year-rate.

The company concludes a liquidity contract in accordance with the AFEI charter in order to promote the liquidity of transactions and the regularity of its securities payments. The transactions carried out in its name by the securities dealer who signed the contract are recorded in the long-term investments. When not available, the funds kept by the financial intermediate represent fixed receivables.

The own shares are evaluated on the basis of their last stock price known at the financial year closing date.

e. Receivables

Receivables are valued at face value. A provision for depreciation is made if there is a risk of non-recovery.

The group outsources the management of its customer claims covering credit-insurance, as well as recovery and refinancing management. The company assigned these claims within the framework of factoring agreements. With the exception of claims for foreign customers or customers living in the DOM TOM, 100 % of customers claims are transferred to the factor and registered in the category "Other claims". This heading is totally payable.

The groups expenses for the R&D activity, meeting the criteria requested for eligibility to tax credit, generated a R&D tax credit whose corresponding claim is registered in the Assets of the balance sheet, unless it is partly or totally booked as taxes due for the financial year.

As a precaution, a non-deductible provision was assigned to this asset, which was not definitively earned. This provision will be maintained during a period of 3 years, notwithstanding the repayments registered in the meantime.

In case of assignment to the corporate tax or in case of early repayment of the loan, the provision for depreciation is taken back and a similar provision is booked in liabilities.

Besides, a convention on current accounts has been signed within the group between SQLI and the related companies, which controls the cash flow resulting from the economic and financial relationship between themselves.

In this context, SQLI established a statement of current accounts and calculated the interests due on the basis of the average credit balance during last semesters. Interest scales calculated are capitalized on the last day of the related semester.

The remuneration rate of current accounts is equal to the average of EURIBOR 12 months rate.

f. Short-term investment securities

The short-term investment securities are booked at the purchase price or at the market price for the latest month, if the latter is lower. For the unlisted securities, if the balance sheet value is less than the likely trading value, a provision is set aside for depreciation. The company transfers and sells its portfolio investment tangible securities in the end of the financial year.

g. Cash flow

A convention of centralization of the group cash flow has been signed with la Société Générale on 23 May 2006. It provides a centralization of the cash flow of companies which participate in the convention, on SQLI the controlling company.

In this way, the net day positions of the participating companies accounts, (debt or credit) are leveled on the controlling company accounts. The interest paid and owned are calculated day by day according to the centralized position of the group cash position.



h. Recognition principle of the turnover

Cost-plus contract – the product of cost plus contracts is recognized according to the project advancement. The services already performed but not yet invoiced as booked as pending invoices.

Package contracts – Turnover resulting from package services is entered in the accounting in accordance with the progress method. The current services are valued at the sale price. . If the amount of services performed is greater than the amount invoiced for, the difference appears in invoices to be established. Otherwise, it is recorded as prepaid income.

A provision for losses at termination is recorded once the expected provisional margin for the project becomes negative.

i. Regulated provisions

These provisions do not correspond to normal provisions but are recorded in application of legal measures. They are created following a mechanism similar to the one for other provisions, but their tax system is submitted to this accounting system.

The amortization of securities acquisition cost last five years from the date of acquisition.

j. Note 13 : Provisions for risks and charges

The provisions for risks and charges are recorded when the object of the risks and charges is clearly defined but the execution is uncertain but likely to occur because of current events.

k. Transactions in foreign currencies

The charges and income in foreign currencies are entered at their equivalent value on the date of the transaction. The payables, receivables and liquid assets in foreign currencies appear in the balance sheet at their equivalent value as determined by the rate at the end of the financial year. The difference resulting from this valuation of debts and receivables in foreign currencies at this rate is entered in the balance sheet under the heading "translation differences". The differences resulting from the conversion of liquid assets in foreign currencies are registered in the category "exchange loss" of the income statement.

l. Tax situation of the group concerning corporate tax

SQLI is the controlling company of an integrated group for taxation purposes including the following companies in 2017: ABCIAL, CLEAR VALUE SAS, EOZEN France, WAX INTERACTIVE Lille, ECOMMERCE4U, WAX INTERACTIVE and ASTON INSTITUT.

The tax charges are borne by the integrated companies (subsidiaries and parent), as in the absence of taxation integration. The tax savings made by the group are retained by the parent company.

The company records the payable tax charge. The R&D, family and training tax credit are retreated from the tax charge.

m. Benefits after employment

The advantages after employment covered by provisions are related to commitments for retirement compensations, which are fixed allowances calculated according to the number of years of service and the annual wages at the date of retirement. They don't generate any provision in the accounts.



E. Other information

The information is given in euros

1 FINANCIAL ASSETS

	31 12 2016	UTA	Acquisitions Allowance	Transfers Write-backs	31 12 2017
Software	2,043,428		714,542		2,757,970
Purchased goodwill	23,471,498				23,471,498
Gross value	25,514,926	0	714,542	0	26,229,468
Less depreciation	1,583,705		98,619		1,682,324
Net Value	23,931,221	0	615,923	0	24,547,144

Purchased companies business is recorded as follows:

	31 12 2016	UTA	Acquisitions Allowance	Transfers Write-backs	31 12 2017
ASTON	8,956,600				8,956,600
ASTON EDUCATION	2,150,492				2,150,492
PROCEA	1,438,183				1,438,183
SYSDEO	5,199,597				5,199,597
<i>Including:</i>					
NAGORA TECHNOLOGIE business	323,844				323,844
OBJECTIVA business	593,340				593,340
SHAFT	198,200				198,200
AMPHAZ	2,122,553				2,122,553
ICONEWEB	1,407,845				1,407,845
URBANYS	1,524,570				1,524,570
ECLAPS	35,268				35,268
NAGA CONSEIL	437,925				437,925
Other	265				265
Net value of businesses	23,471,498	0	0	0	23,471,498

In the last years, SQLI took over SYSDEO, ASTON, PROCEA, SUDISIM, ICONEWEB, URBANYS, ALCYONIX NAGA CONSEIL and ASTON EDUCATION. These companies businesses are from then totally integrated to SQLI's and it is nearly impossible to identify the turnover or margin related to each of these businesses. The two main companies (ASTON and SYSDEO) allowed SQLI to grow to a consistent size (from 44 m€ in 2005 to 74 m€ in 2006) and to keep its referencing contracts with the major accounts despite the decrease of ICT services firms. The justification for the goodwill value of these six companies has been tested with discounted cash flow procedure applied to SQLI.

In order to certify the main elements of SQLI goodwill global valuation approach, the recoverable values are set from the updated net cash flows, with consideration of the terminal value, based on an infinite growth rate for the income of the valued assets. The rate used for the updating of the future cash flows is the weighted average cost of capital before taxes. The considered hypothesis in terms of activity growth and terminal values are reasonable and in compliance with the available market facts. The main factors used for the establishment of this estimated flows are the following:

Duration of estimates:	4 years (same as 31 December 2016)
Capitalization rate (aft. Tax)	9.5% (same as 31 December 2016)
Ad infinitum growth rate:	1.5 % (same as 31 December 2016)

According to these tests, there has not been any new depreciation recorded at 31 December 2017.



2 FINANCIAL ASSETS

	31 12 2016	Acquisitions Allowance	Transfers Write-backs	31 12 2017
General facilities and fittings	3,880,585	1,004,594	0	4,885,179
Transport equipment	3,000	0	0	3,000
Office & IT equipment	2,414,208	255,461	0	2,669,669
Furniture	1,066,504	98,659	0	1,165,163
Works of art	10,790			10,790
Total Gross Value	7,375,088	1,358,714	0	8,733,802
Less depreciation	4,552,586	1,056,287	3,949	5,604,924
Net Value	2,822,502	302,427	3,949	3,128,878

SQLI decided to centralize its Paris agencies in Levallois Perret new premises in February 2018. This relocation project led to the depreciation of Saint-Denis and Paris facilities and premises for an amount of 287 K€ at 31 December 2017.

3 FINANCIAL ASSETS

	31 12 2016	Increases Allowance	Decreases Write-backs	31 12 2017	At most 1 year	At least 1 year
Securities	38,429,680	29,966,165	991,502	67,404,343		67,404,343
Claims related to participations	5,455,213	90,966		5,546,179		5,546,179
Total Gross Value	43,884,893	30,057,131	991,502	72,950,522		72,950,522
Less provisions	3,421,386	4,402	0	3,425,788	0	3,425,788
Net Value	40,463,506	30,052,729	991,502	69,524,734	0	69,524,734
Loans	3,029,696	276,008		3,305,704		3,305,704
Deposits and sureties	667,206	446,262	963	1,112,505	11,382	1,101,123
Self-owned shares	1,650,856	1,217,036	1,334,259	1,533,633	1,533,633	
Fixed claims ¹⁾	109,584		56,447	53,137	53,137	
Other fixed securities	16		0	16		16
Total Gross Value	5,457,358	1,939,306	1,391,669	6,004,995	1,598,152	4,406,843
Less provisions	269,689	18,487	2,240	285,936		285,936
Net Value	5,187,669	1,920,819	1,389,429	5,719,059	1,598,152	4,120,907
Total Gross Value	49,342,252	31,996,437	2,383,171	78,955,517	1,598,152	77,357,365
Less provisions	3,691,076	22,889	2,240	3,711,725	0	3,711,725
Net Value	45,651,176	31,973,548	2,380,931	75,243,792	1,598,152	73,645,640

¹⁾ Unavailable cash of the liquidity contract

Acquisition of STAR REPUBLIC securities

With an agreement signed on 4 May 2017, SQLI purchased 90 % of STAR REPUBLIC, a Swedish company.

STAR REPUBLIC is a company based in Göteborg and Stockholm with 70 employees specialized in solutions related to e-commerce, mobility and user routes. The company operates in the same strategic segments as SQLI (Retail, Bank, Food et Healthcare). The company works with major international groups such as Carlsberg Group, PostNord, Tele2, KappAhl and Unilever.



According to the transfer agreement, SQLI bought 100% of Star Republic securities and sold 10% of the total to the company main managers. SQLI paid a firm price of 70,774 KSEK (7 360 K€). A 19,370 KSEK (2 014 K€) earn-out has been calculated, based on the company operational performance between 2017 and 2019. The sale of 10% of the securities to the managers amounted to 7,077 KSEK (736 K€).

SQLI and the managers owning 10% of STAR REPUBLIC securities have call and put options on these securities. These options must be exercised before 2022, for a price based on the company operational performance. The options value has been set at 582 K€.

The acquisition costs amount to 398 K€.

Acquisition of OSUDIO securities

With an agreement signed on 25 September 2017, SQLI purchased 71.88 % of OSUDIO HOLDING BV, the Dutch controlling company of OSUDIO group, leader of e-commerce solutions based in Belgium, the Netherlands, Luxembourg, Denmark and Germany.

OSUDIO HOLDING BV holds 100% of SOFTLUTION NEDERLAND BV and OSUDIO NEDERLAND BV (based in the Netherlands), OSUDIO BELGIUM NV (Belgium), OSUDIO NORDICS APS (Denmark), OSUDIO DEUTSCHLAND GMBH (Germany) and OSUDIO SOFTLUTION SPAIN SL (Spain).

Created in 1996, OSUDIO operates in the strategy e-commerce field, by combining a very strong technological expertise with good marketing skills. The company has been recognised as the "#1 best digital agency in the Netherlands" in 2010, 2015 and 2017 by Emerge specialist journal.

The Group has 175 employees with key competences in the sector. The Group turnover amounted to 18 M€ in 2016. It helped major clients to implement their e-commerce strategy. The company major clients are Carlsberg, Hoffmann Group, GrandVision, Hansgrohe, Miele, Philips and Intergamma.

The transfer agreement set out a firm payment of 16,735 K€ in cash with a 925 K€ earn-out due in 2018 and calculated according to the Company operating performance for 2017.

A second earn-out amounting to 1,854 K€ and based on the group operational performance until 2020 is also due to one of the sellers. This earn-out will be paid in three tranches, in 2019, 2020 and 2021.

SQLI and the managers owning 28.12% of OSUDIO HOLDING BV securities have call and put options on these securities. These options must be exercised before 2021, for a price based on the company operational performance. The options value has been set at 10,672 K€.

The acquisition costs amount to 680 K€.

The following depreciations are registered in financial fixed assets:

	31 12 2016	Allowance	Write-backs	31 12 2017
Securities				
ABCIAL	3,078,418	4,402		3,082,820
ICONWEB Morocco	17,968			17,968
EOZEN SA (Luxembourg)	325,000			325,000
Total	3,421,387	4,402	0	3,425,788
Loans ¹	269,689	18,487	2,240	285,936
Total	3,691,076	22,889	2,240	3,711,725

¹ Rate used for loans impairment : ten years OAT rate at closing date of the financial year: 0.68% (31.12.16): 0.68 %).

Each year, SQLI proceeds to the evaluation of the subsidiaries with the Discounted Cash Flow (DCF) approach. In 2017, SQLI had a 1.5% ad infinitum growth rate and a weighted average cost of capital bef. taxes of 9.5%.

ABCIAL has been valued according to its net situation at 31 December 2017 with a provision recovery of 4,402 €.





Claims related to participations

On 30 October 2014, SQLI allocated 5,209,970 € to WAX INTERACTIVE for the acquisition of LSF INTERACTIVE business and the acquisition of the whole share capital of LSF LOYALTY.

This allocation bears interest at the annual rate mentioned in article 39-1-3° of the Code Général des Impôts, corresponding to the annual average of the average effective rates applied by credit institutions in respect of variable-rate business loans with a duration longer than two year. The interests calculated in 2017 amounted to 90,966 € (108,275 € in 2016).

This amount will be reimbursed in one payment (principal and interests) on 31 December 2019. This reimbursement is guaranteed by a pledge on WAX INTERACTIVE business.

Self-owned shares

After the resolutions taken by the Combined General Assembly of 28 June 2017, SQLI started a program for buying back its own shares, with the following objectives (by decreasing priority): i) Market animation or share liquidity, ii) Purchase for keeping and using for exchange or retribution of possible external growth operations, iii) Allocation of shares to the employees, iv) Possible Cancellation of these shares.

This program expired during the General Assembly of 31 December 2017 called to assess the financial statements for the year. It includes a maximum unit purchase price of 70 € and a minimum unit selling price of 10 €. It was organised within a liquidity contract signed with la Financière d'Uzès and one with CACEIS.

	31 12 2017			31 12 2016		
	Number of shares	Unit price	Value (in €)	Number of shares	Unit price	Value (in €)
New Self-owned shares at 1st January	78,617	€21.00	1,650,855	60,104	€17.50	1,051,916
Acquisitions of the year	12,727	€40.49	515,294	30,936	€31.09	961,745
Transfers at sale value	(35,259)	€18.94	(667,810)	(12,423)	€32.65	(405,651)
Transferred capital gain and loss			35,338			42,932
Former Self-owned shares at 31 December	56,085	€27.35	1,533,677	78,617	€21.00	1,650,855

4 CUSTOMERS AND RELATED ACCOUNTS

At 31 December 2017, Customer claims amount to 34,711,718 € and pending invoices to 14,239, 426 €. Depreciations are registered on doubtful customer receivable (3,605,204 €) for 2,516,615 €. The deadline for customer receivable is less one year.

The maturity breakdown of outstanding customer receivable (excluding doubtful accounts) is as follows:

in K€		31 12 2017	Unmatured	Matured	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more
Non-Group	Customer	15,259	12,121	3,138	1,360	295	310	1,173
receivable (ex. doubtful accounts)								
Group	Customer	15,847	5,934	9,913	0	1,183	1,083	7,647
receivable								
Total receivable (ex. doubtful accounts)		31,106	18,055	13,051	1,360	1,478	1,393	8,820



SQLI uses the services of a factoring company. The business costs of customer claims and their capitalization are as the following:

	2017	2016
Credit insurance and customer management	219,545	230,532
Financial cost of receivables capitalization	95,873	72,709
Total	315,418	303,241

5 OTHER CLAIMS

	Gross amount	Depreciation	Net amount	At most 1 year	At least 1 year
Customers and related accounts	31,625		31,625	31,625	
Welfare system and other social institutions	210,019		210,019	210,019	
State, public institutions					
R&D tax credit	5,607,848		4,045,264		4,045,264
CICE	2,064,610		2,064,610		2,064,610
Recovered VAT	2,591,657	(1,562,584)	2,591,657	2,591,657	
IS	280,047		280,047	280,047	
Group and partners ²	8,087,012	(123,111)	7,963,901	7,963,901	
Various debtors					
Net customer receivables	21,815,644		21,815,644	21,815,644	
Various	240,470		240,470	240,470	
Total	40,928,932	(1,685,695)	39,243,237	33,133,363	6,109,874

R&D tax credit amounts to 2,546,048 € in 2017 and the cumulative claims for all companies of the tax group amount to 5,607,848 € at 31 December 2017.

As a precaution, a non-deductible provision was assigned to this asset, which was not definitively earned. The provision for 2017 accounts for 30 % of the tax claim. This provision will be maintained during a period of 3 years, notwithstanding the repayments registered in the meantime.

The tax investigation regarding R&D tax credit for years 2013 and 2014 came to an end in 2017, with a release of 794,460 € of tax credit. The effect of this tax investigation was partly compensated by the provision release for the related assets (165,133 €).

CICE credit claims from 2014 to 2017 have been transferred to la Banque Postale against a prefunding amount of 4,613,197 €. CICE credit claim for 2016 (1,699,141 €) has not been funded at 31 December 2017.

ICONEWEB Morocco current account has been totally depreciated according to the net situation at 31 December 2017; this company is not operating anymore.



6 VARIATION OF THE PROVISIONS FOR DEPRECIATION

	31 12 2016	Allowance	Write-backs	31 12 2017
Securities	3 421 386	4,402		3 425 788
Loans for building effort	269,689	18,487	2,240	285,936
Customers	1 765 991	768,956	18,332	2 516 615
R&D tax credit	1 307 508	763,814	508,738	1 562 584
Other receivables	254,003	575	131,467	123,111
Total	7 018 577	1 556 234	660,777	7 914 034

7 CASH FLOW AND EQUIVALENT

	31 12 2017	31 12 2016
Cash position	5,399,504	2 802 895
Monetary unit trusts and funds (SICAV and FCP)	47,492	47,492
Cash flow and Cash flow equivalents	5 446 996	2 850 387

The market value of Monetary unit trusts and funds (SICAV and FCP) amounts to 63,322 € at 31 December 2017.

8 CHARGES PAID IN ADVANCE

The charges paid in advance for subcontracts amount to 451,608 €; those related to leasing and other regular external costs amount to 1,603,538 €.

9 OWN EQUITY

At 31 December 2017, the capital is made of 3,959,538 shares (31/12/2016 : 3,856,923) with a par value of 0.80€ each, paid in full.

	Number of shares	Nominal value	Share capital
Equity at 1st January 2017	3 856 923	0.8	3 085 538
80,532 new shares have been subscribed during the year for the price of 15 € per share, following the exercise of 805,320 BSAAR.	80,532		64,426
16,900 new shares have been subscribed during the year for the price of 19.90 € per share, following the exercise of the BSA held by Thierry Chemla.	16,900		13,520
5,183 shares issued by the Delegated Executive Officer on 21 December 2017 have been subscribed by the employees members of the "PEG TESORUS" Group Saving plan, at the exercise price of 31.01 € per share.	5,183		4,146
Capital at 31 December 2017	3,959,538	0.8	3,167,630

The company net situation before the income appropriation is as follows:

	31 12 2016	Increases	Income appropriation	Annual income	31 12 2017
Equity	3,085,538	82,092			3,167,630
Insurance premiums	36,827,488	1,602,608			38,430,096
Legal provision	294,873		13,681		308,554
Unavailable reserve	272,850				272,850
Retained earnings	20,594,078		2,033,428		22,627,506
Profit (loss)	5,464,843		(5 464 843)	(4,459,389)	(4,459,389)
Regulated provisions	614,719	160,413			775,132



Total	67 154 390	1 845 113	(3 417 734)	(4,459,389)	61 122 380

The company Articles of association give a double vote right for the fully paid shares which have been registered for at least three years, and for the shares granted to shareholders after a capital increase by capitalization of reserves, benefits or issue premiums, at the rate of former shares which gave them the same right.

The capital and voting rights are divided as follows:

31 12 2017				
	Number of shares	in % of capital	Number of voting rights	% of voting rights
Roland Fitoussi (Sethi , HIP)	453,462	11.5 %	795,598	17.3 %
FD5 (and family Beublain)	25,664	0.6 %	50,527	1.1 %
Didier Fauque	10,220	0.3 %	10,220	0.2 %
Executive Board	489,346	12.4 %	856,345	18.7 %
Laurent de Roover	29,101	0.7 %	58,202	1.3 %
Thomas Rocmans	48,372	1.2 %	96,744	2.1 %
X Chain Holding	48,372	1.2 %	96,744	2.1 %
Family of Patrick Lacarrière	39,240	1.0 %	78,480	1.7 %
Employed shareholders (GSP)	68,034	1.7 %	115,090	2.5 %
Other nominative shareholders	105,747	2.7 %	209,380	4.6 %
Total nominative shareholders	828,212	20.9 %	1,510,985	32.9 %
SQLI (own shares)	56,085	1.4 %	-	-
Public	3,075,241	77.7 %	3,075,241	67.1 %
<i>Financière Arbevel</i>	<i>269,418</i>	<i>6.8 %</i>	<i>269,418</i>	<i>5.9 %</i>
<i>Otus Capital</i>	<i>253,528</i>	<i>6.4 %</i>	<i>253,528</i>	<i>5.5 %</i>
TOTAL	3,959,538	100 %	4,586,226	100 %

Liquidity tools

Issue date	31 12 2017		31 12 2016	
	Number of warrants/options to be exercised	Number of potential shares	Number of warrants/options to be exercised	Number of potential shares
BSAAR	3 574 437	357,444	4 379 757	437,976
BSA	198,884	198,884	215,784	215,784
Stocks options	12,650	12,650	44,000	44,000
Stocks options	27,000	27,000	-	-
Free shares	21,437	21,437	-	-
Total	3 834 408	617,415	4 639 541	697,760

BSAAR (04/2011)

The BSAAR issued in April 2011 will expire in April 2018. In 2017, 805,320 warrants have been exercised with the issue of 805,532 new shares.

At 31 December 2017, 3,574,437 outstanding BSAAR gave right to the subscription of 357,444 new SQLI shares at the exercise price of 15 €.

BSA (09/2014)

On 16 September 2014, the Executive Board granted 215,784 BSA to Didier Fauque, CEO (143,856 BSA) and Thierry Chemla, DEO (71,928 BSA).

The conditions of this allocation are the following:

- Each BSA gives a right to subscribe one new share at the exercise price of 19.90 €;
- BSA can be exercised for a period of three years following the second anniversary of the date of issue by the Board.
- They are divided in 3 categories of 71 928 BSA, submitted to performance conditions regarding SQLI share price which must be higher than 25, 30 and 35 €;



16 900 BSA have been exercised during the year.



Stock options (11/2014)

On 5 November 2014, the Executive Board granted 48,000 stock options to employees and executive managers.

The options will have to be exercised before the 6 November 2019 and the share purchase price is 16 €.

In 2017, 31,350 warrants have been exercised with the issue of 31,350 new SQLI shares.

Stock options and free shares (02/2017)

On 22 February 2017, the Executive Board granted 28,000 stock options to employees and 22 437 free shares to employees and executive managers.

The conditions of this allocation are the following:

- the options will have to be exercised before the 22 February 2024 at the latest (7 years);
- The 10,000 options allocated to Didier Fauque cannot be exercised before 23 February 2019 and the remaining 18,000 options cannot be exercised before 31 December 2020.
- Anybody leaving the company before the 23 February 2019 (for the 10,000 options allocated to Didier Fauque) and the 31 December 2020 (other options) will lose his exercise right.
- The share purchase price is set to 32.84 €.

Anybody leaving the company before the 31 December 2020 will lose his allocation right.

1,000 stock options and 1,000 free shares have been cancelled in 2017 following the departure of two beneficiaries.

10 OTHER OWN FUNDS

	2017	2016
Advances with conditions – OSEO	0	22,426
Total	0	22,426

11 REGULATED PROVISIONS

	31 12 2016	Increases Allowance	Decreases Write-backs	31 12 2017
Acquisition costs for fixed assets	860,588	1 078 200		1 938 788
Overriding depreciation	(614,719)	(160,412)		(775,131)
Remaining costs for depreciation	245,869	917,788	0	1 163 657



12 PROVISIONS FOR RISKS AND CHARGES

	31 12 2016	Allowance	Write-backs prov. used	Write-backs prov. non used	31 12 2017
Labour Court conflicts and others ⁱ	285,743	150,000	(103,120)	(50,000)	282,623
R&D tax credit	0	343,605			343,605
Provisions for risks	285,743	493,605	(103,120)	(50,000)	626,228
Loss upon completion	37,503	52,049	(37,503)		52,049
Foreign exchange loss	4,498	5,827	(4,498)		5,827
Other provisions for charges		500,000			500,000
Provisions for charges	42,001	557,876	(42,001)	0	557,876
Total	327,745	1 051 481	(145,121)	(50,000)	1,184,104

ⁱ SQLI has been summoned in front of the Labour Court by four employees and provisioned the risk according to its lawyers' estimations.

SQLI head managers decided to reorganise the Parisian sites and relocate all of them into new premises located in Levallois-Perret. The relocation is planned for February 2018 and should generate provisioned extraordinary costs of 500 K€.

13 LOANS AND DEBTS TOWARDS CREDIT INSTITUTIONS

	31 12 2017	31 12 2016
Loan with Bpifrance Financement	11 500 000	5 000 000
10 M€ loan with the bank pool	-	4 690 000
BNP loan, external growth investment	33 000 000	-
Prefunding of CICE credit claims	-	4 863 350
Current bank lendings	17,251	6
Accrued interests to be paid	297,981	46,099
Total of loans and debts with credit institutions	44,815,232	14,599,455

The company managers consider the liquidity risk as relatively limited.

Loans toward credit institutions

In 2017, SQLI contracted 3 new loans for its investment program, including a credit agreement of 33 M€ with BNP Paribas and a bank pool.

Bank	Nominal value	Available from	Durati on	Period rate	31 12 2016	Subscription Withdrawing	Repayment	31 12 2017
Palatine	7 M€	12/2014	5 years	EUR 3 +1.50%	4,690		-4,690	-
BPI France	2.5 M€	11/2014	7 years	2.84 %	2,500		-500	2,000
BPI France	2.5 M€	11/2014	10 years	4.43 %	2,500			2,500
BPI France	5 M€	03/2017	7 years	1.57 %	-	5,000		5,000
BPI France	2 M€	03/2017	7 years	1.57 %	-	2,000		2,000
BNP	33 M€	03/2017	7 years	EUR 12 +3.15 %	-	(1) 8,000		8,000



BNP	33 M€	05/2017	6	EUR 3 +2.30%	-	(2) 7,000	7,000
			years	(4)			
BNP	33 M€	09/2017	6	EUR 3 +2.30%		(3) 18,000	18,000
			years	(4)			
					9,690	40,000	-5,190
							44,500

- (1) 136 K€ borrowing costs, booked as expenses for the year. Repayment in fine March 2024
- (2) 119 K€ borrowing costs, booked as expenses for the year. Annual repayment of 1.1 M€ until 2022 and 1.8 M€ in March 2023.
- (3) 306 K€ borrowing costs, booked as expenses for the year. Annual repayment of 3.4 M€ until 2022 and 4.5 M€ in March 2023.
- (4) Applied margin from 2.30% to 1.25% according to the Net financial debt/consolidated EBITDA ratio.



The 33 M€ credit agreement includes several cases of anticipated collectability, regarding, among others, failure to comply with the following financial ratios:

R2 = Net financial debt/consolidated EBITDA ratio :

	31 12 2017	31 12 2018	31 12 2019	31 12 2020	31 12 2021
R2 <	3.00 x	3.00 x	2.75 x	2.50 x	2.25 x

R4 = Net financial debt / Own equity ratio < 1 for each of the years 2017 to 2021.

These ratios have been respected at 31 December 2017.

As a guarantee for the repayment of the 33 M€ debt, SQLI as given to BNP a pledge of all the securities of STAR REPUBLIC and OSUDIO HOLDING BV.

14 LOANS AND FINANCIAL DEBTS

They include the current accounts within the group.

15 TAX AND SOCIAL DEBTS

	Gross amount	At most 1 year	Between 1 and 5 years	More than 5 years
Customers and related accounts	10,138,041	10,138,041		
Welfare system and other social institutions	9,233,279	9,233,279		
State: IS and TVA	13 640 732	13 640 732		
Other dues, taxes and similar	265,900	265,900		
Total	33,277,952	33,277,952		

16 DEBTS ON FIXED ASSETS

	31 12 2017	31 12 2016
Fixed assets suppliers	3,347	23,845
Total	3,347	23,845

17 OTHER DEBTS

	31 12 2017	31 12 2016
INVENTCOMMERCE price supplement	1 100 053	1 441 252
STAR REPUBLIC earn-out	1 967 736	
OSUDIO earn-out	2 778 850	
Remittance of customers and credit notes to be issued	2 193 308	2 874 963
Severance pays	162,845	195,618
Surplus from third parties	0	9,585
Final settlement of all accounts and other individual balances	158	158
ADESATT contribution	9,860	11,730
Attendance fees	44,650	44,650
Total	8 257 460	4 577 956

Remittance of customers and credit notes to be issued regard mainly credit notes for GEIE ICE (1,668,012 €), SQLI being a member of this entity.





18 CHARGES TO BE PAID INCLUDED IN DEBTS

	31 12 2016	Variations	31 12 2017
Accrued interest not due	22,900	12,745	35,645
Customers and related accounts	1 996 132	2 217 739	4 213 871
Social debt:			
Provision for paid vacation ⁱ	6 231 769	(20,107)	6 211 662
Reduction for working time and vacation bonus ⁱ	326,987	10,333	337,320
Premium and various commissions ⁱ	3 129 049	(548,927)	2 580 122
Other Staff costs	119,430	14,706	134,136
Handicapped person contribution	220,391	10,818	231,209
FPC, TA	1 204 003	72,305	1 276 308
Tax debt:			
TVTS	19,950	74,376	94,326
Solidarity contribution	195,639	5,664	201,303
BOT	10,904	(41,138)	(30,234)
Default Interest VAT	1,666	0	1,666
Attendance fees	44,650		44,650
Total	13 523 470	1 808 514	15 331 984

ⁱ Social charges included

19 PREPAID INCOME

It includes the services invoiced in advance, from which 6,535,754 € are related to package projects.

20 TURNOVER

	France	European Union	Out of European Union	31 12 2017	31 12 2016
Sale of goods	310,634	0	127,607	438,241	0
Engineering	129,450,276	1,218,854	1,729,461	132,398,591	126,277,537
Training	5,105,434			5,105,434	5,302,719
Consulting	10,330,146	16,012		10,346,158	8,892,045
Total	145,196,490	1,234,866	1,857,068	148,288,424	140,472,302

21 CAPITALISED PRODUCTION

Cost of employees assigned to the Re-engineering of SQLI Information system launched in 2015.

22 OTHER PRODUCTS

It includes the re-invoicing for the subsidiaries in application of the group conventions: transfer price, invoicing of central services, contracts of technology license and brands signed with SQLI Suisse and SQLI Maroc.



23 OTHER EXTERNAL PURCHASES AND COSTS

	31 12 2017	31 12 2016
stored materials	92 424	
Non stored materials	360 734	335 997
Outsourcing	40 209 194	32 818 239
Premises for rent and rental costs	5 654 095	5 272 927
Leasing management	724 949	216 542
Maintenance and repairs	1 045 121	753 050
Insurance premiums	465 698	421 604
External staff	238 536	385 931
Fees	3 732 206	2 756 959
Advertising and external relationship	444 066	750 619
Business trips, missions and receptions	2 810 901	2 580 675
Mailing and telecommunication costs	586 963	490 934
Bank services	789 270	160 279
Seminars and corporate events	399 873	164 207
Others	292 309	140 667
Total	57,846,277	47,248,630

24 TAXES AND DUES

	31 12 2017	31 12 2016
Training tax	465 336	432 758
Continuous professional training	1 044 986	1 052 080
CET	1 675 030	1 699 082
Property tax	377 875	306 327
Taxes on private vehicles	74 375	85 401
Solidarity contribution	201 303	206 978
Contribution for disabled persons	231 209	220 391
Others	67 536	47 284
Total	4 137 650	4,050,301

25 FINANCIAL RESULT

	31 12 2017	31 12 2016
Financial income		
Interest on current accounts	90,966	108,275
VMP transfer gain ⁱⁱⁱ	45,486	421,962
Foreign Exchange gain	39,154	295
Provision recovery ⁱⁱ	6,738	97,295
Interest on current accounts	0	1,049
Other income	351	0
Total	182,695	628,876
Financial charges		
Loan interest	778,725	276,814
Rate swap	85,064	50,575
CICE credit claims	140,338	0
Interest on factor financing	95,873	72,709
Foreign exchange loss	20,279	2,318
VMP loss of transfer	0	310,547
Various	60,381	58,440
Allowance for depreciation ⁱ	29,291	80,637
Total	1,209,951	852,040
Financial result	(1 027 2556)	(223,164)



ⁱ Including 4,402 € of provision recovery for ABCIAL securities and 18,487 € of provision recovery linked to the updating of loans for building investment.

ⁱⁱ Including 2,240 € of provision recovery linked to the updating of loans for building investment.

26 EXPOSURE TO EXCHANGE RISK

SQLI is almost not exposed to exchange risk since its activity is mainly in France and the invoicing is made in euros. Its currency position at the closing date is the following:

	CHF
Assets	-
Liabilities	(124,658)
Net position before administration	(124,658)
Off-Balance sheet commitments	-
Net position after administration	(124,658)

27 EXPOSURE TO RATE RISK

HEDGING DERIVATIVE INSTRUMENTS

In 2017, the group contracted three rate hedges in order to cover the fluctuations of variable rates within the repayment duration of the 33 M€ loan. The company chose a fixed rate for each of them.

The conditions of derivative instruments related to the rate risk control at 31 December 2017 are exposed as follows:

	Bank loan of 33 M€		
Starting date	30/06/2017	30/06/2017	20/12/2017
Floating rates payer	BNP	BNP	PALATINE
Floating rate	12 months	3 months	3 months
	EURIBOR	EURIBOR	EURIBOR
SQLI Fixed / floating rate	0.68 %	0.44 %	0.32 %
Notional amounts covered at 31 December:			
2017	8 000 000	12 000 000	13 000 000
2018	8,000,000	10,200,000	11,050,000
2019	8,000,000	8,400,000	9,100,000
2020	8,000,000	6,600,000	7,150,000
2021	8,000,000	4,800,000	5,200,000
2022	8,000,000	3,000,000	3,250,000
2023	8,000,000	-	-
2024	-	-	-

28 EXTRAORDINARY RESULT

	31 12 2017	31 12 2016
Recovery of provision for depreciation ⁱⁱ	640,205	289,557
Transfer of intangible, tangible and financial fixed assets ⁱⁱⁱ	759,931	746,152
Total Extraordinary income	1 400 136	1,035,709
NCV of transferred fixed assets ⁱⁱⁱ	977,229	242,814
Allowance for overriding depreciation ⁱ	160,412	50,488
Allowance to provisions for risks ⁱⁱ	1,107,419	833,707
Various	1,472	2,382
Total Extraordinary costs	2 246 532	1,129,391
Extraordinary result	(846,396)	(93,682)

ⁱ Depreciation of securities fixed acquisition costs

ⁱⁱ Including provision related to R&D tax credit : 1,107,419 € of allowance and 508,738 € of recovery



- iii Including the gain resulting from the transfer of IDO-in Group shares amounting to 241,254 €.



29 ALLOCATION OF ALLOWANCES AND PROVISION RECOVERY

	Allowance	Write-backs
Conflicts in Labour Court and with URSSAF	150,000	153,120
Depreciation of customer claims	768,956	18,332
Depreciation of other claims	500,000	-
Loss upon completion	52,049	37,503
Operation	1 471 005	208,955
Depreciation of securities	4,402	-
Depreciation of current accounts	575	-
Loans for building effort	18,487	2,240
Foreign exchange loss	5,827	4,498
Financial	29,291	6,738
Overriding depreciation	160,412	-
Other receivables		131,467
R&D tax credit	1 107 419	508,738
Extraordinary	1 267 831	640,205
Total	2 768 128	855,898

30 CORPORATE TAX

The tax situation of the companies integrated in the group in 2017 is the following:

	Tax result	R&D tax credit	Other tax credits
SQLI (controlling company)	(7,556,116)	1 751 588	3,000
ABCIAL	(4,158)		
CLEAR VALUE SAS	(4,860)		
WAX INTERACTIVE	159,101		
EOZEN France	258,075		
WAX INTERACTIVE Lille	(118,650)		
ECOMMERCE4U	(85,797)		
ASTON INSTITUT	821,772		
Total tax group	(6,530,633)	1 751 588	3,000

The tax allocation between current result and extraordinary result is the following:

	Result (bef. taxes)	Taxes due	Net result (aft. taxes)
Current Result	(5,793,907)	2 450 974	(3 342 933)
Extraordinary result	(846,396)	125,903	(720,493)
Effect of carry-forward of losses		(2,576,877)	(2,576,877)
Impact of tax integration		273,924	273,924
Tax credit for the year		1 754 588	1 754 588
Other taxes		152,402	152,402
Accounting Result	(6,640,303)	2 180 914	(4,459,389)



31 VARIATION OF DEFERRED TAXES

	31 12 2016		Variations		31 12 2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
I Existing or possible gaps						
Overriding depreciation		860,588		1 078 200		1 938 788
II. Temporary non deductible costs						
To be deducted the following year:						
Payable costs N	195,639		5,664		201,303	
Fees	163,110		13,850		176,960	
Translation differences - Assets	4,498		1,329		5,827	
Total	363,247	860,588	20,843	1 078 200	384,090	1 938 788
III. Items to be allocated						
Fiscally carried over deficit (1)	0		6 689 734		6 689 734	
Total	0	0	6 689 734	0	6 689 734	0

(1) Deferred deficits of Tax integrated group

32 TRANSFER OF COSTS

Nature of transfers	31 12 2017	31 12 2016
In-kind compensations	489,859	487,041
Insurance premium	12,177	2,837
Discount suppliers	4,525	14,807
Foresight indemnities	211,768	34,053
Various	2,000	4,535
Total	720,330	543,273

33 AFFILIATED COMPANIES AND JOINT VENTURE

ITEMS	AMOUNT OF COMPANIES	
	Affiliated	Joint Venture
Holdings	67,404,343	
Customers	15 847 399	
Credit notes to be issued	1 668 012	
Customers current account advance	8,087,012	
Suppliers	9,294,031	
Depreciation of current accounts	14 745 509	
Financial income from investments	90,966	

34 REMUNERATION OF HEAD MANAGERS AND RELATED PARTIES

	Gross remuneration	Social costs	2017	Gross Remuneration	Social costs	2016
Short-term benefits (1)	1 101 514	420,027	1 521 541	1 039 709	342,648	1 382 357
Benefits after employment	47,940	22,052	69,992	69,691	32,058	101,749
Attendance fees	70,000	18,187	88,187	70,000	18,025	88,025



Total	1,219,454	460,266	1,679,721	1,179,400	392,731	1,572,131

(1) "Short-term benefit" must be intended as wages itself, which includes paid vacations, premiums, interest and in kind benefits.



35 OFF-BALANCE SHEET COMMITMENTS

The group has to take a certain number of commitments due to its activity. Some of these commitments generate provisions (like the commitments related to retirement and other advantages granted to the staff, legal disputes...)

The other commitments not included in the balance sheet are listed below.

1) Remaining commitments coming from contract obligations

	Less than 1 year	From 1 to 5 years	More than 5 years	31 12 2017
Premises	4,062,360	11,666,267	2,035,720	17,764,347
IT equipment	730,926	377,110	0	1,108,036
Vehicles	745,883	656,831	0	1,402,714
Operating Leasing contract rents	5,539,169	12,700,208	2,035,720	20,275,097

2) Commitments received

The former shareholders of WAX INTERACTIVE LILLE granted to SQLI, until the term of the legal deadline set in the related social and tax regulations, a guarantee on assets and liabilities with an exemption of 48 K€ limited to 400 K€, with a possible surplus of 20% of the received earn-out, cross-guaranteed by a bank surety of 200 K€.

This guarantee does not include customer contracts.

The former shareholders of ECOMMERCE4U granted to SQLI, until the term of the legal deadline set in the related social and tax regulations, a guarantee on assets and liabilities with an exemption of 3 K€ limited to 40 K€, with a possible surplus of 20% of the received earn-out.

This guarantee does not include customer contracts.

The former shareholders of INVENTCOMMERCE granted to SQLI a guarantee on assets and liabilities limited to 450 K€ for a period of 18 months starting from the transfer and of 7 years relating to tax issues. 50 K€ have been transferred to a escrow account as a guarantee for the guarantee.

The former shareholders of STAR REPUBLIC have granted SQLI a guarantee on its assets and liabilities for all damages exceeding individually 90 KSEK, and cumulatively 700 KSEK. This guarantee is limited to 15 000 KSEK.

The guarantee is valid until November 2018 and until the expiration of statutory limitation periods, regarding tax procedure.

The former shareholders of OSUDIO HOLDING BV granted SQLI a guarantee on its assets and liabilities for all damages exceeding individually 20 K€, and cumulatively 140 K€. This guarantee is limited to 3,800 K€.

The guarantee is valid until November 2019 and until the expiration of statutory limitation periods, regarding tax procedure.

3) Debts guaranteed by real securities

Following the repayment of 7 M€ credit line contracted with a bank pool including banque Palatine, BNP Paribas, Société Générale, Caisse d'Epargne et de Prévoyance Bretagne Pays de Loire and Crédit Lyonnais, all the granted securities were released, including the pledge of ECOMMERCE4U, WAX INTERACTIVE LILLE and WAX INTERACTIVE securities.

As a guarantee for the repayment of the 33 M€ debt, SQLI as given to BNP a pledge of all the securities of STAR REPUBLIC and OSUDIO HOLDING BV.

4) Credit lines accepted and still intact

The Group has three credit lines of 1 M€ each, with BNP Paribas, Caisse d'Epargne and the Banque Palatine, plus a 23.9 M€ factoring capacity untouched at 31 December 2017.



36 AVERAGE STAFF

Categories	31 12 2017	31 12 2016
Executives	1,263	1,219
Managing agents, technicians	133	122
Interns	18	25
Trainees	5	6
Total	1,419	1,372

37 CICE

The CICE is equal to 7 % of remunerations lower or equal to 2.5 x SMIC (minimum wages) paid in 2017. As soon as an employee annual wages exceed this limit, this remuneration is entirely excluded from the basis for tax credit. This basis for tax credit contains all gross remunerations, including social contributions, paid during the civil year on the basis of legal working hours.

In 2017, SQLI CICE amounts to 1,967,340 €. After tax integration, SQLI has a tax credit of 2,064,610 € at 31 December 2017. The credits related for years 2014, 2015 and 2017 have been subscribed with la Banque Postale.

CICE is mainly used to finance new market prospection projects.

38 BENEFITS POST-RETIREMENT

The benefits post-retirement are related to the retirement indemnities for the staff employed in France and are fixed allowances calculated according to the number of years of service and the annual wages at the date of retirement.

This commitment is calculated as follows:

- The calculation is based on a voluntary retirement decision from the employer;
- the retirement age is set at 65 years;
- The life table is the one of 2013-2015;
- The annual salary revaluation rate is calculated according to the age. For each age grouping, the given rate is the average of rates registered by the group in the last three years: from 3.8 % (from 20 to 30 years old), to 2.6 % (from 31 to 40 years old), 2.1 % (from 41 to 50 years old), 1.1 % (from 51 to 60 years old) then constant;
- The discounting rate is 1.30 %; (OAT rate 20 years);
- The turnover rate include all departures, decided by the employee or by the company. For each age grouping, the given rate is the average of rates registered by the group in the last three years: 14,7 % (20-24 years old), 29,7 % (25-29 years old), 32,3 % (30-34 years old), 27,2 % (35-39 years old), 27,0 % (40-44 years old) ; then : 26,3 % (45-49 years old), 15,8 % (50-54 years old), 3 % (55 years old), 2 % (56-58 years old), 1 % (59-60 years old), 0 % (61 years old and more);
- The group's commitment to its employees is increased in 46 % by the social charges.

The commitments amount to 1,292 K€ (social costs included) at the closing date.



39 SUBSIDIARIES AND AFFILIATED COMPANIES

Companies	%	Equity	Own equity other than share equity	Accounting value of held securities		Granted loans and advances	Granted sureties and guarantees	Cashed dividends	Result of the previous year	Notes
				Gross	Net					
ABCIAL	99.63	37,000	4,118,129	7,237,949	4,155,130				-4,401	
ASTON INSTITUT	100	30,000	4,602,931	30,000	30,000				576,740	
EOZEN FRANCE SAS	100	38,120	2,226,696						281,601	Owned by SQLI Luxembourg
CLEAR VALUE SAS	100	85,928	3,655,755	7,405,608	7,405,608	257,588			-4,949	
WAX INTERACTIVE	100	50,000	-3,044,733	50,000	50,000	3,262,247			165,647	
WAX INTERACTIVE Lille	100	30,000	-182,443	2,388,287	2,388,287	0			-107,871	
ECOMMERCE4U	100	6,000	-243,500	234,712	234,712	294,259			-85,797	
Total FRANCE		277,048	11,132,836	17,346,555	14,263,736	3,814,094	0	0	820,970	



Companies	%	Equity	Own equity other than share equity	Accounting value of held securities		Granted loans and advances	Granted sureties and guarantees	Cashed dividends	Result of the previous year	Notes
				Gross	Net					
SQLI SUISSE (CHF)	100	85,455	4,452,808	62,871	62,871				1,182,892	
SQLI MAROC (DH)	99.87	44,556	3,418,979	70,576	70,576	3,359,630			1,144,748	
SQLI Luxembourg (€)	100	93,000	558,579						-10,112	Owned by CV SAS
ICONEWEB MOROCCO (DH)	100	17,822	-144,589	17,968		368,018			-10,402	
SQLI BELGIUM (€)	100	62,500	5,171,173	8,464,226	8,464,226				-50,411	
SQLI SA (Luxembourg) (€)	100	124,000	2,872,269	9,169,578	8,844,578				102,609	
WAX DESIGN (€)	100	20,000	1 040 498	771,062	771,062				251,751	
INVENTCOMMERCE LTD (£)	100	5	175,767	2,512,571	2,512,571	281,776			82,793	
INVENTCOMMERCE PTY LTD (ZAR)	100	7	248,702						253,122	Owned by INVENTCOMMERCE LTD
STAR REPUBLIC AB (SEK)	90	10,159	1 410 607	8,795,060	8,795,060				356,336	
OSUDIO HOLDING BV (€)	71.88	30,661	3,945,332	20,193,876	20,193,876				162,914	
SOFTLUTION NEDERLAND BV (€)	100	18,000	1,025,006						47,222	
OSUDIO SOFTLUTION SPAIN SL (€)	100	3,000	252,243						24,758	
OSUDIO NORDICS APS (€)	100	6,653	148,832						137,700	Owned by OSUDIO HOLDING BV
OSUDIO BELGIUM NV (€)	100	107,000	-38,383						2,735	
OSUDIO NEDERLAND BV (€)	100	22,885	650,972						292,575	
OSUDIO DEUTSCHLAND GMBH (€)	100	27,000	465,480						1,090 348	
Total ABROAD		672,702	25,654,276	50,057,788	49,714,820	4,009,424	0	0	5,061,578	
Total FRANCE and ABROAD		949,750	36,787,112	67,404,343	63,978,555	7,823,518	0	0	5,882,548	



20.0.4. SQLI RESULT OVER THE LAST FIVE YEARS

<i>Data in thousands of euros</i>	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Duration of financial year (month)	12	12	12	12	12
Capital end of year					
Share capital	3,167,630	3 085 538	2 948 732	2,877,598	2,877,138
Number of shares					
Ordinary	3,959,538	3 856 923	3,685,916	3,596,998	3,596,422
Preferred dividend					
Maximum number of shares to be issued					
Per bond conversion					
Per subscription right	556,328	697,760	863,111	931,494	729,500
Operations and result					
Turnover (tax. ex.)	148,288,424	140,472,302	131,906,429	123,543,799	117,639,551
Result after taxes, participation, all. depreciations & provisions	-3,573,168	6 011 322	8,206,170	1,062,157	3,044,804
Taxes on profit	-2,180,914	-863,112	607,067	-708,089	-1178546
Participation of employees					
All. Depreciations and provisions	3,067,135	1,409,591	85,059	350,622	-4,020,002
Net result	-4,459,389	5,464,843	8,728,178	1,149,624	8,243,352
Distributed result	3,417,734	2,229,284	1,605,629	1,982,247	1,286,894
Result per share					
Result after taxes, participation, all. depreciations & provisions	-1.13	1.78	2.39	0.49	1.17
Result after taxes, participation, all. depreciations & provisions	-1.41	1.42	2.36	0 39	2.29
Allocated dividends	0.80	0.60	0.45	0.55	0.36
Staff					
Average number of employees	1,419	1,372	1,328	1,265	1,214
Wage bill	66,258,221	61,834,383	61,419,565	56 733 320	53,418,130
Amounts of social benefits (social insurance, community social projects...)	28,585,950	27,040,624	27,139,701	25 387 179	23,880,924

PROFORMA FINANCIAL INFORMATION

None.



CONSOLIDATED FINANCIAL STATEMENT

20.2.1. CONSOLIDATED BALANCE SHEET

A. Consolidated financial situation

ASSETS <i>(in thousands of euros)</i>	Notes	31/12/2017	31/12/2016
Goodwill	1)	86,054	53,318
Intangible fixed assets	2)	3,238	935
Tangible fixed assets	3)	6,398	5,146
Financial assets	4)	5,214	4,342
Other non current assets	7)	5,804	10,263
Deferred taxes - assets	18)	2,115	408
NON CURRENT ASSETS		108,823	74,412
Customer receivables	5)	59,610	56,132
Other claims and regularization accounts	6)	46,264	27,386
Tax outstanding assets	6)	957	327
Cash flow and cash flow equivalents	8)	19,276	9,573
CURRENT ASSETS		126,107	93,418
TOTAL OF ASSETS		234,930	167,830

LIABILITIES <i>(in thousands of euros)</i>	Notes	31/12/2017	31/12/2016
Equity	9)	3,168	3,086
Premium		41,103	39,261
Consolidated reserves		32,294	30,193
Consolidated result		1,974	6,212
OWN EQUITY (GROUP SHARE)		78,539	78,752
Minority interests		0	0
CONSOLIDATED OWN EQUITY		78,539	78,752
Long term financial debt	12)	42,276	7,705
Long term provisions	16)	3,428	2,551
Deferred taxes - liabilities		468	0
Other non current liabilities	19)	15,884	1,140
NON CURRENT LIABILITIES		62,056	11,396
Short term financial debt	12)	2,560	7,140
Long term provisions	16)	52	39
Debts with suppliers and related accounts		21,829	16,914
Other payables	20)	68,291	51,617
Tax outstanding liabilities	21)	1,603	1,972
CURRENT LIABILITIES		94,335	77,682
TOTAL OF LIABILITIES		234,930	167,830





20.2.2. CONSOLIDATED ACCOUNTS

Consolidated Result account

<i>(Data in thousands of euros)</i>	Notes	2017	2016
Turnover	VI.	211,960	190,909
Other earnings	23)	5,958	5,453
Used purchases		-2,126	-4,438
Staff costs	24)	-133,733	-120,756
External costs	27)	-65,696	-52,712
Taxes and dues		-3,182	-3,144
Net allowance to depreciation and provisions		-2,361	-1,311
Other operating costs and income		59	-28
Current Operating result	VI.	10,879	13,973
Goodwill depreciation		0	0
Other non current operating incomes and expenses	28)	-6,411	-3,224
Operating result		4,468	10,749
Cash and cash equivalent income (charges)		75	55
Total of gross financial debt		-1,448	-582
Total of net financial debt	29)	-1,373	-527
Other financial income and charges	29)	60	83
Result (bef. taxes)		3,155	10,305
Tax liability	30)	-1,181	-4,093
Net result (before result of activities transferred or being transferred)		1,974	6,212
Result of activity being stopped or transferred		0	0
Consolidated net result		1,974	6,212
Group share		1,974	6,212
Minority interests		0	0
Net result for the group per share (euro)		0.51	1.69
Average number of outstanding shares	31)	3,846,859	3,684,044
Net diluted result, part of the group per share (euro)		0.46	1.52
Average number of outstanding BSAAR and shares	31)	4,246,793	4,083,990

Comprehensive income

<i>(Data in thousands of euros)</i>	Notes	2017	2016
NET RESULT		1,974	6,212
Actuarial difference on defined benefit scheme after tax		-27	-41
Items that will not be reclassified to profit or loss		-27	-41
Translation differences		-666	93
Items that will not be reclassified to profit or loss		-666	93
Items booked as own equity:		-693	52
OVERALL RESULT		1,281	6,264
Allocated to minority shareholders		0	0



Allocated to the group	1,281	6,264



20.2.3. VARIATION OF CONSOLIDATED SHAREHOLDERS EQUITY

Variation of consolidated own equity

Data in thousands of euros	Number of shares	Equity	Premium	Reserves	Year result	Translation & actuarial differences	Group share	Own Equity Minority interests	Total
Situation at 31/12/15	3 685 916	2,949	37,309	27,253	3,555	1,575	72,641		72,641
Income appropriation				1,326	-1,326				
Distribution of dividends					-2,229		-2,229		-2,229
Exercise of BSAAR	86,364	69	1,226				1,295		1,295
Allocation of stock options			18				18		18
Treasury shares			-527				-527		-527
Other				-13			-13		-13
<i>Overall results H1</i>					3,388				
<i>Other items of comprehensive income</i>						-271			
Comprehensive income H1 2013					3,388	-271	3,117		3,117
Situation at 31/12/16	3 772 280	3,018	38,026	28,566	3,388	1,304	74,302		74,302
Exercise of BSAAR	77,487	62	1,090				1,152		1,152
Group Saving Plan	7,156	6	200				206		206
Allocation of stock options			17				17		17
Treasury shares			-72				-72		-72
<i>Total income H2</i>					2,824				
<i>Other items of comprehensive income</i>						323			
Comprehensive income H2					2,824	323	3,147		3,147



Own Equity									
Data in thousands of euros	Number of shares	Equity	Premium	Reserves	Year result	Translation & actuarial differences	Group share	Minority interest	Total
Assessment at 31/12/16	3 856 923	3,086	39,261	28,566	6,212	1,627	78,752		78,752
Income appropriation				2,794	-2,794				
Distribution of dividends					-3,418		-3,418		-3,418
Exercise of BSAAR and BSA	42,211	33	633				666		666
Allocation of stock options			52				52		52
Treasury shares			189				189		189
Overall results H1					1,003				
Other items of comprehensive income						-140			
Comprehensive income H1 2013					1,003	-140	863		863
Situation at 30/06/17	3 899 134	3,119	40,135	31,360	1,003	1,487	77,104		77,104
Exercise of BSAAR and BSA	55,221	45	814				859		859
Group Saving Plan	5,183	4	156				160		160
Allocation of stock options			70				70		70
Treasury shares			-72				-72		-72
Total income H2					971				
Other items of comprehensive income						-553			
Comprehensive income H2					971	-553	418		418
Situation at 31/12/17	3 959 538	3,168	41,103	31,360	1,974	934	78,539		78,539



20.2.4. VARIATION OF CASH FLOW

D. Variation of cash flow

(Data in thousands of euros)

	2017	2016
CONSOLIDATED NET INCOME	1,974	6,212
Net allowance to depreciation and provisions ⁵⁰	3,140	1,460
Other calculated charges (revenues)	197	-5
Transferred capital gain and loss	-59	-514
SELF FINANCING CAPACITY AFTER TAX AND FINANCING COST TO REVENUE	5,252	7,153
Tax liability (deferred taxes included)	1,181	4,093
Cost of financial debt	1,448	582
SELF FINANCING CAPACITY BEFORE TAX AND FINANCING COST TO REVENUE	7,881	11,828
Variation of customers	-3,902	- 4,482.
Variation of suppliers	2,332	148
Variation of other current assets and liabilities	4,418	-7,523
(paid) reimbursed Corporate Tax ⁵¹	-2,556	- 2,702.
CASH FLOW DUE TO OPERATING ACTIVITIES	8,173	-2,731
Acquisition of fixed assets	-3,607	-3,135
Transfer of fixed assets	162	843
Scope variation ⁵²	-21,465	-610
CASH FLOW DUE TO INVESTMENT ACTIVITIES	-24,910	-2,902
Capital Increase	1,685	2,653
Dividends paid to the shareholders of the controlling company	-3,417	-2,229
Loan issue	39,790	-
Acquisition (transfer) of treasury shares	117	-599
Loan repayment	-5,361	-5,066
Paid interests	-1,094	-517
CASH FLOW RELATED TO FINANCING ACTIVITIES	31,720	-5,758
CASH FLOW FLUCTUATION	14,983	-11,391
Cash flow and equivalent at 1st January	4,680	16,031
Effect of currency rates fluctuation	-438	40
CASH FLOW AND EQUIVALENT AT 31 DECEMBER⁵³	19,225	4,680

⁵⁰ Excluding provisions related to current assets.

⁵¹ (2) Including 1,653 K€ of CVAE.

⁵² Firm price payment for the securities of STAR REPUBLIC (6,670 K€) and OSUDIO (16,735 K€), net of cash acquired (1,940 K€).

⁵³ Cf note E.V 8) supra.



E. Appendix to the consolidated accounts

I. ACTIVITY

Created in 1990, SQLI is the reference partner for companies operating a digital transition of their customer processes and all the internal services related. With a unique positioning covering marketing and technology, SQLI uses a global approach to meet the needs of developing sales and reputation (digital and social marketing, customer experience, e-Commerce, data intelligence), and productivity and internal efficiency goals (digitalization of operations, collaborative activity, mobility and connected devices, CRM...)

SQLI is listed on NYSE Euronext Paris, compartment C (ISIN FR0011289040).

SQLI European network confirmed its good results in 2017, with the acquisition of STAR REPUBLIC in Sweden and OSUDIO in the Netherlands and Germany. The company had some punctual issues in France in 2017, which are currently being resolved. The company international network owns twelve subsidiaries, mainly located in Northern Europe.

SQLI turnover amounted to 212.0 M€ in 2017 (+11% compared with last year). The organic growth is +5 % (exc. perimeter and exchange rate variations).

The growth is due to a strong development (more than 35%) of e-commerce platforms-related services, marketing and digital communication. These strategic activities benefited from an increase of major projects (each of them employing 50 engineers) and allowed to gain new prestigious clients like Arcelor, Generali and Michelin. International activities registered a better margin, accounting for 29% of the consolidated turnover. The average daily rate increased by 4% on the year (476 €) thanks to the Group positive positioning.

Both EBITDA⁵⁴ (13.2 M€) and the current operating result (10.9 M€) are in decline, due to a bad operating performance in France, mainly in Paris, and to the overinvestment needed for the implementation of the strategy plan. These factors led to a high turnover rate (21%) and affected the employment rate (85%). A short-term action plan has been implemented at the end of last year, helping to improve operational figures between the 1st and the 2^d half of 2017.

The 4,5 M€ operating result includes non current operating charges of 6,4 M€, mainly due to restructuration operations (2.3 M€), the relocation of the Parisian sites (1.1 M€), the acquisition costs (1.5 M€) and risks and costs related to legal conflicts (1.4 M€). The net profit amounts to 2.0 M€, after deduction of financial debt (1.4 M€) and tax liability (1.2 M€).

At 31 December 2017, SQLI has a strong balance sheet with 78.5 M€ of own equity and 25.6 M€ of financial debt (, after payment of the two acquisitions made during the year). The balance sheet takes into account the positive result of the year and shows a potential leverage with the exercise of BSAAR expiring in March 2018 (5.4 M€ if all the BSAAR were exercised).

SQLI ambition is to reach a turnover of at least 240 M€ in 2018 and an EBITDA of 20 M€. In order to reach this objective, SQLI intends to increase international revenues and the average daily rate, and to regain contribution of the Paris agency following a plan of actions under progress. The amount of extraordinary charges is expected to show a significant fall.

SQLI also confirms its expectation of EBITDA regular progress, in order to reach 12% of the turnover, following the Move Up 2020 plan. The company results between now and 2020 will be critical to assert SQLI position as a potential leader of the connected commerce market.

⁵⁴ EBITDA = current operating result (10.9 M€) + Net allowance to depreciation and provisions (2.3 M€).



II. ACCOUNTING RULES AND PROCEDURES

1) General framework

In application of the European regulation n°1606/2002 of 19 July 2002, the 2017 consolidated accounts are presented in compliance with the international accounting rules (IAS/IFRS) of the EU. They are applicable on 27 March 2018, closing date of the accounts chosen by the Executive Board. These rules are available on the EU Commission website:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

The accounting rules applied for the year ended 31 December 2017 are the same as those applied for the year ended 31 December 2016.

2) Evolution of accounting rules in 2017

a- New standards and compulsory interpretations

There has not been any new standard applying for the first time in 2017. Only a few compulsory amendments apply to financial years starting in 2017:

- IAS 7 amended: "Disclosure Initiative";
- IAS 12 amended: "Recognition of Deferred Tax Assets for Unrealised Losses";

The implementation of these amendments did not have any significant impact on the Group accounts.

b- Anticipatory applied rules and interpretations

The group didn't anticipate any of the new standards and interpretations exposed below which are not compulsory at 1st January 2017:

- IFRS 9 "Financial instruments";
- IFRS 15 "revenue from contracts with customers";
- IFRS 16 "Leases" ;
- IAS 28 amended " long-term interests in associates and joint ventures";
- IFRS 2 amended: "Classification and Measurement of Share-based Payment Transactions";
- IFRS 9 "Prepayment Features with Negative Compensation";
- Annual improvements, 2014-2016.
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration".
- IFRIC 23 "Uncertainty over income tax treatments"

SQLI is currently analysing the impact and practical consequences of the application of standards IFRS 9, 15 and 16.

IFRS 9 "Financial instruments";

From 1st January 2018, the standard includes new dispositions related to classification and measurement of financial assets based on the entity business model and contractual characteristics of financial assets. The Group will have to change the depreciation process applied to financial assets, in order to respect IFRS 9 new model based on expected loss. The first analyses of credit losses history don't show any significant impact.

IFRS 15 "Revenue from contracts with customers";

The Group took a series of measures in order to identify the potential impacts of the application of IFRS 15 which becomes compulsory on 1st January 2018. The results of the research show that the Group current accounting procedure doesn't need to be changed to comply with the new dispositions of IFRS 15. Consequently, the impact of the first application of this standard should not be significant.



The Group performed a deep analysis of a contract portfolio representing significant transactions and contracting modes, which allowed to identify the following points:

- For the majority of the group contracts, the revenues are accounted as a unique performance obligation whose transfer is done on a continuous basis. This approach is compliant with IFRS 15 dispositions.
- In order to measure the contract progress, the Group uses an approach based on planned costs. The variable remuneration items such as rebates on back margins are systematically reviewed at each closing time.
- The process of project start-up costs will be changed, since IFRS 15 stipulates that a contract start-up costs don't constitute an actual transfer of goods or services. This change will have a limited impact on the turnover.

The Group will adopt a simplified retrospective transition method without restatement of 2017 period. Consequently, the own equity appearing in the opening balance sheet at 1st January 2018 could be (non significantly) adjusted after the application of this standard.

IFRS 16 "Leases"

This standard changes the accounting process regarding leases by lessees. It will replace IAS 17, IFRIC 4, SIC 15 and SIC 27 from 1st January 2019. While, according to IAS 17, the accounting process for leases must be based on the valuation of risks and benefits transfer to the active ownership, IFRS 16 gives a unique accounting approach for lessees which is similar to the one used for financial rental contracts.

Considering the specificities of some leases (especially regarding renewal terms), the duration applied to value the contracts depending on IFRS 16 could in some cases differ from those applied to value off-balance sheet commitments, for which only the firm commitment duration is taken into account. The commitments specified in note *VII 1 Remaining commitments coming from contract obligations* might not entirely cover the liabilities which will have to be accounted for in compliance with IFRS 16.

The measurement of potential impacts on the group accounts is still under process and complex considering the volume of contracts to study and the non-centralised characteristics of lease contract management.

3) Valuations and judgments

In order to establish the financial position in compliance with IFRS standards, the group has to carry out valuations and make hypotheses that affect the accounting value of some elements of the assets and liabilities, incomes and costs, as well as the data given in some footnotes of the appendix.

The company management continuously assesses these valuations and estimations on the basis of its past experience and of other sensible factors that make the core of these valuations. The future results are likely to noticeably differ in function of different hypotheses or conditions.

These estimations are focused on the revenue recognition for package contracts, the recognition of deferred taxes on the assets, the testing of the value of assets, the calculation of retirement benefits and other long-term benefits and the current and non-current provisions.

SQLI thinks there is an existing risk on R&D tax credits calculated according to R&D programs and considers the assets to be definitely acquired after a period of 3 years. The Group is taking this risk into account by recording a provision for depreciation or for risk when the tax credits are booked or repaid. This provision accounts for 30 % of the generated tax credit amount.

4) Consolidation principles

The mother company exercises an exclusive control over all the companies in the Group and all of the companies are fully consolidated. All transactions between consolidated companies as well as profits made within the Group have been canceled out.

The Income statement consolidate the accounts of the companies acquired during the financial year from the date that they were acquired and the accounts of the companies transferred before their transfer date.

The company securities that are not consolidated but still meet the criteria mentioned above, are registered in "Financial assets". It is the case of companies which, whether individually or globally, are not important enough on any of the consolidated accounts aggregates.



5) Consolidation of subsidiaries

The companies mergers are counted according to the acquisition procedure. With this method, the gained assets and taken liabilities as well as possible assumed liabilities, are fairly counted at the purchasing date.

a- Identified assets and liabilities

At the time of the first consolidation of an entity, the revaluation of assets and liabilities whose net accounting worth noticeably differs from their true worth is made.

The differences in value (goodwill) are put onto the balance sheet on the appropriate lines and must follow their own accounting rules. The Group has one year following the acquisition to finalize the valuations.

b- Goodwill

The difference, noted when a participation is made, between the shares purchase price of the consolidated company and the group share retired from the own equity at the date of integration in the scope is considered as a difference of value likely to be allocated to the identifiable assets and liabilities. The Residual part not affected is booked in "Goodwill" item in the balance sheet assets.

Incidental expenses related to the acquisition are recorded in non current operating charges.

6) Conversion procedures for foreign currencies

a- Foreign currencies transactions

Foreign currencies transactions are converted in euro in application of the average exchange rate of the transaction date. The monetary assets and liabilities denominated in foreign currencies at the closing date are converted to the current rate. The conversion adjustments are counted in incomes or costs. The non-monetary assets and liabilities denominated in foreign currencies and counted at historical cost, are converted to the exchange rate of the transaction date.

b- Financial state of foreign entities

All the assets and liabilities of consolidated entities that are not denominated in euro, are converted to the closing rate. Incomes and costs are converted to the average exchange rate of the ended financial year. The exchange differences resulting from this treatment and those resulting from the conversion of the subsidiaries' shareholder's equity at the beginning of the financial year in function of the closing rates are included in the section "Conversion rate adjustments" in "Other reserves" of consolidated shareholder's equity. The exchange rate differences coming from the conversion of net investments in subsidiaries and foreign associated companies are counted in the shareholders equity.

7) Operational sectors

Sectorial information to give according to IFRS 8 is based on internal reporting as used by the main operating decision-makers of the group, i.e. Sqli CEO, DEOs and Operational Managers.

As part of its international growth strategy, the Group reviewed its organisation which is now based on a geographical distribution, divided between the following operational sectors: "France", "Switzerland", "Northern Europe" and "Others".

The "Northern Europe" segment includes the following countries: United Kingdom, Sweden, Denmark, Belgium Luxembourg, Germany and the Netherlands). The "Other" sector includes Morocco, South Africa and Spain.

The turnover and the current operating income of each sector are regularly controlled as performance indicators.

8) Intangible fixed assets

The intangible fixed assets are mainly made of software and package software entered at their acquisition cost.

In compliance with IAS 38, research costs are booked in the accounts of the financial year during which they have been used. In the same way, development costs have been kept in liabilities because they don't match the criteria given in the standard.



9) Tangible fixed assets

Tangible assets are registered at their acquisition cost. The borrowing costs are not incorporated in the fixed assets.

Depreciations are calculated on a straight-line basis according to the acquisition cost of the assets, in function of the utilization periods, generally established as follows:

Fixtures.....	8 to 10 years
Office Equipment and furniture.....	3 to 5 years
IT equipment.....	2 years

The differences resulting from the various depreciation rates applied in the various group companies to fixed assets of the same nature are not significant and have not been subjected to restatement in the consolidated income statement.

10) Rental contracts

The goods that are under lease contract are registered as fixed assets purchased on credit. The fixed asset is depreciated over the duration of its economic life for the group. The debt is amortized over the duration of the leasing contract.

Only significant items have been restated.

11) Rental contracts

Rental contracts on fixed assets for which the group bears almost all the benefits and risks inherent in the ownership, are considered as leasing financing contracts and are thus subject to a restatement. The qualification of a contract is defined by the IAS 17 standard.

The assets purchased in leasing financing are entered in the balance sheet as fixed assets at the lowest of their fair value and of the present value of minimal payments for the lease, minus the amortizations accumulated and the losses of value. These assets are depreciated on the basis of their expected utilization period (the compensation of restated contracts is registered in the section financial debts of liabilities).

The rents paid as part of simple leases are booked as external costs and accounted for in the current operational result. Ordinary rents are registered in liabilities not appearing in the balance-sheet

The goods taken on lease by SQLI are ordinary leasing contracts for computer equipment, concluded for a 3 years period at the most. These contracts do not give to the group the main benefits and risks related to the assets ownership according to IAS 17 standard.

In practice, the equipment is changed every two years; no penalty was paid for these renewals made in advance.

12) Depreciation of fixed assets

Goodwill are subject to a test for loss of value, in compliance with the measures of IAS 36 standard, at least once a year or more often if there are indications of loss of value.

The other fixed assets mainly related to computer and office equipment are not subject to a test for value because of their nature and their amortization period.

13) Financial assets

This section consists in non consolidated equity securities, deposits and guarantees paid and loans. Non quoted securities are put in category « Securities available for sale ». They are registered at their acquisition cost (purchasing price plus acquisitions charges) or at their intake value.

When the inventory value at the closing date is lower than the accounted value, a provision for depreciation is made for the amount of the difference. The securities inventory value is counted on the basis of criteria such as the quota of the net position, the evolution of the turnover and the long-term profitability.

The 20-year loans constituting the company's participation in the construction effort are entered at their present value in the balance sheet.



The company concluded a liquidity contract pursuant to the AFEI charter in order to promote the liquidity of transactions and the regularity of trading in its securities. The transactions carried out in its name by the securities dealer who signed the contract are recorded in the long-term investments. The treasury shares under that contract are deducted from the consolidated shareholders' equity.

14) Valuation of payables and receivables

Payables and receivables are valued at nominal value. A provision for the depreciation of receivables has been added to take into account the risk of them not being recovered.

Transactions that were executed in foreign currencies are translating using the exchange rate that prevailed at the time of the transactions. Losses and profits resulting from this translation of balances at the closing date are carried into the Income Statement.

15) Administration of the turnover

Cost plus contracts – the product of cost plus contracts is recognized according to the project advancement. The services already performed but not yet invoiced as booked as pending invoices. Otherwise, it is recorded as prepaid income.

Package contracts – Turnover resulting from package services is entered in the accounting in accordance with the progress method. The current services are valued at the sale price. . If the amount of services performed is greater than the amount invoiced for, the difference appears in invoices to be established. Otherwise, it is recorded as prepaid income.

A provision for losses at termination is recorded once the expected provisional margin for the project becomes negative.

When the group is acting as an agent, only the generated margin is booked in the income.

16) Financial instruments

Financial assets are registered in the balance sheet when the group becomes a party of the contract dispositions.

- Loans

On the day of their creation, the loans are registered at the fair-value of the given compensation, that is the net cash flow without the issue costs. The loans are then evaluated at the depreciated cost according to the effective rate of interest. The issue costs are then taken in on an actuarial basis through the effective rate of interest procedure.

- Cash Flow

The « Cash flow » category includes the float, the bank balance and the short- term investments in monetary instruments. These investments are available at any moment for their nominal value and the risk of value change is insignificant. The cash flow equivalents are evaluated at their market value at closing date. The difference of fair value coming from this revaluation is entered in the income statement of the current period, in section “Cash Incomes and equivalent”.

17) Derivative Instruments

a- Exposure to currency risk

The group is generally weakly exposed to the exchange rate on current commercial operations. These operations are made in countries where the risk of currency fluctuations is low. Therefore, there has not been any currency hedging contracted for commercial operations.

b- Exposure to rate risk

The groups financial result is affected by the interest rate change. Indeed, part of the debt has a variable rate. The group Income statement can be affected by a fluctuation of interest rates in the Euro area. The group is contracting rate hedges in order to limit its exposure.

c- Common principles related to coverage financial instruments

The instruments used are limited to interest rate swaps, future rate agreements, purchase of caps and “tunnels” for the exchange rate coverage.



These instruments

- are used only for hedging,
- are used only with French banks or foreign prime names,
- do not have any illiquidity risk in case of possible reversal.

The use of these financial instruments, the choice of compensations and more broadly, the management of the exposure to the exchange risk, are subject to specific states of reporting for the companies' management and administrative boards.

d- Accounting procedures

The accounting rule for rate hedging operations is the accounting of the variation of the hedging instruments fair value and the variation of the element that is symmetrically covered in the income statement.

The hedging financial instruments used by the group as booked as "Financial liabilities at fair value through the income statement".

18) Provisions

In compliance with the IAS 37 standard "Provisions, possible liabilities and assets", the provisions consist in the liabilities matching the following criteria:

- the amount or the deadline have not been precisely set;
- the economic impact is negative for the group, since these liabilities represent an obligation of the group towards a third party, and are likely to create a capital outflow in aid of this third party, without any compensation expected from the third party.

The non current provisions are not related to the normal operating cycle of the firms. They mainly include:

- the provisions for end-of-career indemnities granted to employees on their retirement day. The evaluation of the obligations towards the end-of-career indemnities are in compliance with IAS 19.

Regarding the defined benefit scheme about post-work benefits and costs of services are estimated according to the projected credit unit method.

This method is based on the compensations paid to the employees at the probable date of their retirement, taking into account the age pyramid, the staff age, and the survival rate set according to official tables per age group. The amounts are raised according to the inflation and promotion hypotheses, and updated in order to take into account the date at which the compensations will actually be paid.

The provisions are updated if the time factor is significant.

For the first time in 2009, the group also registered a commitment related to provision contracts of SQLI Suisse employees. Because of the minimum interest rate legal guarantee to pay to employees and of the conversion rate, the Swiss pension funds are considered as having defined services plan according to IAS 19. The commitments are thus calculated in compliance with IAS 19 on an actuarial basis with information such as staff structure, turnover expectations and wages growth.

- The provisions aimed at covering the conflicts, possible unexpected events of the groups activity in more than one year.

Current provisions are related to the normal operating cycle of the groups activity. They mainly include:

- Provisions for losses on with end-of-contract terminations: they concern operations in progress, and are assessed case-by-case without compensation.
- The provisions aimed at covering the conflicts, possible unexpected events of the groups activity in more than one year.



19) Risk factors

The risks are described in section I c) of the management report. After the company analyzed these risks, it considered there was not any significant risk except for the following elements:

Fluctuation of SQLI stock market price

SQLI share price has been very volatile since the company was listed on the stock market in 2000, following the example of technology companies.

Every event related to the stock market, the economic situation, the IT sector and its growth, the competitors and/or the group result variations is likely to have a significant impact on the stock market price.

Extraordinary events and conflicts :

The conflicts likely to create any expenditure are provisioned according to IAS 37 rule. There is no existing conflict, arbitration or extraordinary event which had, could have or will have a significant impact on the financial situation, results, activity and capital of the company.

20) Group Saving Plan

Throughout a Group Saving Plan, the company offers to its employees the possibility to subscribe to a capital increase, for a share value lower than the stock exchange one. These shares are submitted to a non-assignability clause for 5 years.

According to IFRS 2, the difference between the subscription price paid by the employee and the fair value of the shares represents a privilege registered in staff costs.

21) Other non-current operating incomes and expenses

Included in the current operating result, they represent the operating incomes and costs considered as non recurrent compared with the company current operation.

22) Taxes on profit

Taxation on the result consists in the payable charge of each consolidated fiscal entity, minus the differed taxations. These taxations are calculated on all the temporary differences coming from the difference between the fiscal basis and the consolidated basis of assets and liabilities, according to a balance sheet approach with application of the variable report and in function of a reliable payment schedule. The taxation rate and the fiscal rules used are those of fiscal texts in force that will be implemented during the outcome of the operations concerned.

Deferred taxes are registered in the balance sheet because they will probably be given back during the following years. The deferred taxes on assets and liabilities are not updated.

23) Self-owned shares

All the self-owned shares of the group are registered at their acquisition cost by decrease of the own equity. The income resulting from the possible sale of these shares is registered in increase of own equity, so that the capital gain or loss does not affect the years net result.

24) Profit per share

Profit per share is calculated by divided the profit by the average number of outstanding shares during the course of the financial year, excluding self-owned shares. The diluted profit per share is arrived at by dividing the average number of outstanding shares during the course of the financial year as well as the average number of shares which would be issued following a conversion of convertible instruments into shares and the exercise of share subscription options granted at the end of the financial year.



III. CONSOLIDATED PERIMETER

Name	Headquarters	31/12/2017		31/12/2016	
		Control %	Interest %	Control %	Interest %
SQLI SA	Levallois Perret (92)	Consolidating Company			
SQLI SUISSE SA	Renens (Switzerland)	100 %	100 %	100 %	100 %
ABCIAL SAS	Levallois Perret (92)	100 %	100 %	100 %	100 %
SQLI MAROC SA	Rabat (Morocco)	100 %	100 %	100 %	100 %
CLEAR VALUE SAS	Levallois Perret (92)	100 %	100 %	100 %	100 %
SQLI LUXEMBOURG SA	Luxembourg (Lux)	100 %	100 %	100 %	100 %
EOZEN FRANCE SAS	Levallois Perret (92)	100 %	100 %	100 %	100 %
ICONEWEB MULTIMEDIA MOROCCO SARL	Casablanca (Morocco)	100 %	100 %	100 %	100 %
SQLI BELGIUM SA	Diegem (Belgium)	100 %	100 %	100 %	100 %
SQLI SA	Strassen (Luxembourg)	100 %	100 %	100 %	100 %
ASTON INSTITUT SARL	Levallois Perret (92)	100 %	100 %	100 %	100 %
WAX DESIGN SA	Laethem-Saint-Martin (Belgium)	100 %	100 %	100 %	100 %
GEIE ICE	Blagnac (31)	25 %	100 % (1)	25 %	100 % (1)
WAX INTERACTIVE SAS	Levallois Perret (92)	100 %	100 %	100 %	100 %
WAX INTERACTIVE LILLE SAS	Levallois Perret (92)	100 %	100 %	100 %	100 %
ECOMMERCE4U SARL	Levallois Perret (92)	100 %	100 %	100 %	100 %
INVENTCOMMERCE LTD	London (United Kingdom)	100 %	100 %	100 %	100 %
INVENTCOMMERCE PROPRIETARY LTD	Cape Town (South Africa)	100 %	100 %	100 %	100 %
STAR REPUBLIC AB	Göteborg (Sweden)	100 %	100 %	-	-
OSUDIO HOLDING BV	Heerlen (Netherlands)	100 %	100 %	-	-
SOFTLUTION NEDERLAND BV	Eindhoven (Netherlands)	100 %	100 %	-	-
OSUDIO SOFTLUTION SPAIN SL	Valencia (Spain)	100 %	100 %	-	-
OSUDIO NORDICS APS	Copenhagen (Denmark)	100 %	100 %	-	-
OSUDIO BELGIUM NV	Diepenbeek (Belgium)	100 %	100 %	-	-
OSUDIO NEDERLAND BV	Amsterdam (Netherlands)	100 %	100 %	-	-
OSUDIO DEUTSCHLAND GMBH	Dortmund (Germany)	100 %	100 %	-	-

(1) For business made by SQLI



IV. ACQUISITIONS OF THE YEAR AND IMPACT ON THE FINANCIAL STATEMENTS

STAR REPUBLIC

With an agreement signed on 4 May 2017, SQLI purchased 90% of the Swedish company STAR REPUBLIC.

STAR REPUBLIC is a company based in Göteborg and Stockholm with 70 employees specialized in solutions related to e-commerce, mobility and user routes. The company operates in the same strategic segments as SQLI (Retail, Bank, Food et Healthcare). The company works with major international groups such as Carlsberg Group, PostNord, Tele2, KappAhl and Unilever.

According to the transfer agreement, SQLI bought 100% of Star Republic securities and sold 10% of the total to the company main managers. SQLI paid a firm price of 70,774 KSEK (7 360 K€). A 19,370 KSEK (2 014 K€) earn-out has been calculated, based on the company operational performance between 2017 and 2019. The sale of 10% of the securities to the managers amounted to 7,077 KSEK (736 K€).

SQLI and the managers owning 10% of STAR REPUBLIC securities have call and put options on these securities. These options must be exercised before 2022, for a price based on the company operational performance. The options value has been set at 582 K€.

The acquisition costs amount to 398 K€ and are booked as expenses for the year.

STAR REPUBLIC accounted for 5,100 K€ of the group turnover in 2017 (8 months) and 290 K€ of the operating result.

At 31 December 2017, SQLI owns 90% of STAR REPUBLIC securities. The call and put options on the last 10% securities allows the Group to consider that 100% of the company is owned by SQLI, in terms of IFRS.

The goodwill generated by the acquisition amounts to 7,359 K€ (with 1,862 K€ of net assets).

Data in thousands of euros		STAR REPUBLIC
Goodwill	A	7,359
Net Intangible fixed assets		383
Net tangible fixed assets		200
Financial assets		14
Other non current assets	B	597
Net customer receivables		1,974
Other current assets		126
Cash flow and equivalents		573
Current assets	C	2,673
Debts with suppliers		301
Other payables		903
Tax outstanding liabilities		205
Current liabilities	D	1,409
Net acquisition cost	A+B+C-D	9,220

OSUDIO

With an agreement signed on 25 September 2017, SQLI purchased 71.88 % of OSUDIO HOLDING BV, the Dutch controlling company of OSUDIO group, leader of e-commerce solutions based in Belgium, the Netherlands, Luxembourg, Denmark and Germany.

OSUDIO HOLDING BV holds 100% of SOFTLUTION NEDERLAND BV and OSUDIO NEDERLAND BV (based in the Netherlands), OSUDIO BELGIUM NV (Belgium), OSUDIO NORDICS APS (Denmark), OSUDIO DEUTSCHLAND GMBH (Germany) and OSUDIO SOFTLUTION SPAIN SL (Spain).

Created in 1996, OSUDIO operates in the strategy e-commerce field, by combining a very strong technological expertise with good marketing skills. The company has been recognised as the "#1 best digital agency in the Netherlands" in 2010, 2015 and 2017 by Emerce specialist journal.



The Group has 175 employees with key competences in the sector. The Group turnover amounted to 18 M€ in 2016. It helped major clients to implement their e-commerce strategy. The company major clients are Carlsberg, Hoffmann Group, GrandVision, Hansgrohe, Miele, Philips and Intergamma.

The transfer agreement set out a firm payment of 16,735 K€ in cash with a 925 K€ earn-out due in 2018 and calculated according to the Company operating performance for 2017.

A second earn-out amounting to 1,854 K€ and based on the group operational performance until 2020 is also due to one of the sellers. This earn-out will be paid in three tranches, in 2019, 2020 and 2021.

SQLI and the managers owning 28.12% of OSUDIO HOLDING BV securities have call and put options on these securities. These options must be exercised before 2021, for a price based on the company operational performance. The company securities are valued at 10,672 K€ with a 2,211 K€ surplus if the seller managers remain working in the Group until 2021. In that case, the earn-out will have a linear impact on the Group non current result until 2021 (in 2017: 192 K€).

The acquisition costs amount to 680 K€ and are booked as expenses for the year.

OSUDIO accounted for 6,651 K€ of the group turnover in 2017 (4 months) and 1,318 K€ of the operating result.

At 31 December 2017, SQLI owns 71.88 % of OSUDIO securities. The call and put options on the last 28.12 % securities allows the Group to consider that 100% of the company is owned by SQLI, in terms of IFRS.

The goodwill generated by the acquisition amounts to 25,465 K€ (with 4,721 K€ of net assets).

<i>Data in thousands of euros</i>		OSUDIO
Goodwill	A	25,465
Net Intangible fixed assets		1,369
Net tangible fixed assets		791
Financial assets		73
Other non current assets	B	2,233
Net customer receivables		4,169
Other current assets		9,013
Cash flow and equivalents		1,371
Current assets	C	14,553
Debts with suppliers		1,123
Other payables		9,940
Tax outstanding liabilities		1,002
Current liabilities	D	12,065
Net acquisition cost	A+B+C-D	30,186



V. VI OTHER INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT

Unless otherwise indicated, the information is given in euro.

1) Goodwill

	31 12 2016	Impact of exchange rate fluctuations	Scope variations	Acquisitions Allowance	Transfers Write-backs	31 12 2017
France	42,962					42,962
North of Europe	15,822		32,002		-44	47,780
Other	1,096		988		-44	2,040
Gross value	59,880		32,990		-88	92,782
Amt France	-4,119					-4,119
Amt Northern Europe	-2,443		-161	-5		-2,609
Amt Others	-					-
Net value	53,318		32,829	-5	-88	86,054

Goodwill is submitted to impairment tests at least once a year on 31 December and as soon as they show signs of value loss. The impairment tests are based on the value in use of each cash-generating unit, which depends on discounted future cash flows, following estimates and forecasts. An impairment is recorded if the recoverable value is lower than the carrying amount. The recoverable value is the highest value between the net fair value of transfer costs and the value in use. The signs of impairment followed by the group include in particular the turnover trend, the operating profitability shown by the operating result and/or the employment rate of partners.

The group studies goodwill values regarding the new geographical CGU which match the new operating segments as defined in note 7) Operating sectors, section II, Accountancy rules and procedures.

The methodology taken into account for the test is the following:

Duration of estimates: 4 years

Criteria used for the forecasts: 2018: budget base

2019-2021 : turnover growth rate between 5 and 10% per year according to the geographic areas;

EBIT rate: regular progress to reach a normative rate in 2021.

Capitalization rate (aft. Tax) 9,5 % (same at 31 December 2016)

Ad infinitum growth rate: 1,5 % (same at 31 December 2016)

According to these tests, there has not been any new depreciation recorded.

Sensitiveness tests

The tests are not impacted by a reasonable variation of the actualisation rate or the infinite growth rate, except for the Northern Europe region. The limits for recording an impairment on this segment are an infinite growth rate of 0.74% or an actualisation rate of 9.59%.

These tests have also been performed in the following cases:

- 1 point decrease of turnover growth estimates for 2019-2021;
- 1 point decrease of normative EBIT assumptions;
- 1 point combined decrease of turnover growth estimates for 2019-2021 and normative EBIT assumptions.

No additional depreciation was recorded in any of this cases, except for the Northern Europe CGU, with the following characteristics:

- a 1% decrease of the target growth rate leads to an impairment of 584 K€;
- a 1% decrease of the target EBIT rate leads to an impairment of 4,369 K€;
- a 1% decrease of the target growth rate combined with a 1% decrease of the target EBIT rate leads to an impairment of 5,404 K€;



2) Intangible fixed assets

	31 12 2016	Impact of exchange rate fluctuations	Scope variations	Acquisitions Allowance	Transfers Write-backs	31 12 2017
R&D costs	-		45			45
Software	2,006	-1	93	386	-93	2,391
Client portfolios	626	-10	1,713	111		2,440
Fixed assets under construction	320			689	-320	689
Gross value	2,952	-11	1,851	1,186	-413	5,565
R&D depreciation			-3	-8		-11
Software depreciation	-1,861	1	-93	-111	93	-1,971
Depreciation of client portfolios	-156			-189		-345
Net value	935	-10	1,755	878	-320	3,238

STAR REPUBLIC and OSUDIO portfolios have been valued at 383 K€ and 1,322 K€ at the time of their acquisition. The allocation of acquisition costs will be completed within 12 months following the acquisition date.

3) Tangible fixed assets

	31 12 2016	Impact of exchange rate fluctuations	Scope variations	Acquisitions Allowance	Transfers Write-backs	31 12 2017
Constructions	1,160	-59				1,101
Technical equipments	116	-6				110
Office equipment, hardware and furniture	11,117	-178	3,381	1,898	-288	15,930
Hardware under easing	1,471	-46		356		1,781
Gross value	13,864	-289	3,381	2,254	-288	18,922
Construction depreciation	-263	14		-45		-294
Technical equipments depreciation	-50	3		-10		-57
Depreciation of office equipment, hardware and furniture	-7,141	127	-2,390	-1,649	288	-10,765
Depreciation of Hardware under leasing	-1,264	29		-173		-1,408
Net Value	5,146	-116	991	377	-	6,398

SQLI decided to centralize its Paris agencies in Levallois Perret new premises in February 2018. This relocation project led to the depreciation of Saint-Denis and Paris facilities and premises for an amount of 287 K€ at 31 December 2017.

4) Financial assets

	Available assets for sale		Loans and receivables Depreciated		Total
	Quoted Securities	Non Quoted Securities	Loans and receivables	Other financial assets	
Gross value		1	3,181	1,445	4,627
Total of impairments			-285		-285
Net value at 31.12.2016	-	1	2,896	1,445	4,342
Scope variations		1		86	87
Investments			291	634	925
Transfers at sale value				-85	-85
Impact of exchange rate fluctuations				-39	-39
Increase (decrease) due to fair value fluctuations			-16		-16



Gross value	2	3,472	2,041	5,515
Total of impairments	-	-301	-	-301
Net value at 31.12.2017	-	2	3,171	2,041

The loans and claims are related to the price granted for the building effort. They are updated on the basis of the 10 year OAT rate (0.68%, same rate as in 2016).

The other financial assets represent the deposit and surety given for the groups real estate renting as well as for the liquidity contract signed with la Financière d'Uzès.

5) Customer receivables

	31 12 2017	31 12 2016
Customer receivables	44,251	37,963
Production in progress	18,436	20,422
Gross value	62,687	58,385
Provisions at opening date	-2,253	-2,157
Impact of exchange rate fluctuations	14	-2
Scope variations	-1	-
Allowance	-862	-138
Recovery	25	44
Provision at closing date	-3,077	-2,253
Including: Provisions on customer receivables	-3,077	-2,246
Provisions on production in progress	-	-7
Net Value	59,610	56,132

As mentioned in note 15) *Recording method of turnover*, section II, Accountancy rules and procedures, the production in progress corresponds to the services given but not invoiced yet for long-term contracts.

The customer receivables current value doesn't differ from their accounting value. All customer receivables have deadlines less than 12 months.

Customer receivables include 4,242 K€ of doubtful accounts which have been provisioned for 3,077 K€ and 40 009 K€ of receivables, whose maturity breakdown is as follows:

	31 12 2017	Unmatured	Matured	1 to 30: days	31 to 60 days	61 to 90 days	91 days and more
Customer receivables	40,009	26,886	13,123	4,800	2,021	1,362	4,940

The group outsources the management of its customer claims covering credit-insurance, as well as recovery and refinancing management. The company assigned these claims within the framework of factoring agreements. 100 % of the customer receivables are given in to the Factor and registered in the category "Other receivables" (see note 6) infra). This heading is totally payable.

The distribution of incurred costs is as follows:

	2017	2016
Credit insurance and customer management	244	250
Financial cost of receivables capitalization	99	75
Total	343	325

The cost of credit insurance and client portfolio management activities appear in the current operational income.



6) Other claims

	31 12 2017			31 12 2016		
	Total	-1 year	+ 1 year	Total	-1 year	+ 1 year
Social receivables	5,061	5,061		320	320	
Tax claims excluding corporate tax	12,897	12,897		6,693	6,693	
Transferred claims (Provisions in the factor)	25,262	25,262		18,028	18,028	
Deferred charges	2,584	2,584		2,177	2,177	
Other receivables	460	460		299	299	
Gross value	46,264	46,264	-	27,517	27,517	-
Provisions at opening date	-131	-131		-2	-2	
Allowance				-131	-131	
Recovery	131	131		2	2	
Provision at closing date	-	-	-	-131	-131	-
<i>Provisions on other receivables</i>	-	-		-	-	
Net Value	46,264	46,264	-	27,386	27,386	-

At 31 December 2017, the amount of customer receivables transferred to the factor (non consolidated) is 23,878 K€ (exc. guarantee fund for 1,384 K€). The maturity breakdown is as follows:

	31 12 2017	Unmatured	Matured	1 to 30: days	31 to 60 days	61 to 90 days	91 days and more
Transferred receivables	23,878	16,805	7,073	4,821	646	992	614

The non consolidated receivables transferred to the factor amount to 3,787 K€.

7) Tax assets

	31 12 2017			31 12 2016		
	Total	-1 year	+ 1 year	Total	-1 year	+ 1 year
State, R&D tax credit	5,607	360	5,247	5,507		5,507
State, CICE	2,131		2,131	6,099		6,099
State, corporate tax and other tax credit deposit	597	597		327	327	
Gross value	8,335	957	7,378	11,933	327	11,606
Provisions at opening date	-1,343		-1,343	-950		-950
Allowance	-763		-763	-702		-702
Recovery	532		532	309		309
Provision at closing date	-1,574	-	-1,574	-1,343	-	-1,343
Net Value	6,761	957	5,804	10,590	327	10,263

The groups expenses in 2017 for the R&D activity in compliance with the R&D tax credit criteria, generated a R&D tax claim of 2,5406 K€ registered in the Assets of the balance sheet.

As a precaution, a non-deductible provision was assigned to this asset, which was not definitively earned. The provision for 2017 accounts for 30 % of the tax claim and is registered in the income statement together with the tax credit. This provision will be maintained during a period of 3 years, and deducted from the assets or as a provision for risks if repayments or allocations registered in the meantime.

The tax investigation regarding R&D tax credit for years 2013 and 2014 came to an end in 2017, with a release of 794 K€ of tax credit. The impact of this tax investigation partly compensated by the provision release for the related assets (165 K€) is booked as non-current expense for the year.

CICE credit claims from 2014 to 2017 have been transferred to la Banque Postale (5 004 K€) against a prefunding amount of 4,863 K€. These transfers have been considered as deconsolidating and the related claims have been excluded from the balance sheet. CICE credit claim for 2016 (1,700 K€) has not been funded at 31 December 2017.



8) Cash flow and equivalent

	31 12 2017	31 12 2016
Cash position	18,963	9,261
Monetary unit trusts and funds (SICAV and FCP), term accounts	313	312
Cash flow and Cash flow equivalents	19,276	9,573

The comparison between the net cash position and equivalents exposed in the balance sheet, and the amount of net cash flow exposed in the cash flow variation chart is presented below :

	31 12 2017	31 12 2016
Cash flow and equivalents	19,276	9,573
Overdrafts	-51	-4,893
Overdraft Cash flow less the variation chart	19,225	4,680

9) Equity

At 31 December 2017, the capital is made of 3,959,538 shares (31/12/2016 : 3,856,923) with a par value of 0.80€ each, paid in full.

	Number of shares	Nominal value	Share capital
Equity at 1st January 2017	3 856 923		3,086
New shares created during the year after the exercise of 805,320 BSAAR.	80,532		64
New shares created during the year after the exercise of 16,900 BSA.	16,900		14
Shares issued by the Delegated Executive Officer on 29 December 2017 for the employees members of the « PEG TESORUS » Group Saving plan, at the exercise price of 31.03 € per share.	5,183		4
Capital at 31 December 2017	3 959 538		3,168

The company's Articles of association give a double vote right for the fully paid shares which have been registered for at least three years, and for the shares granted to shareholders after a capital increase by capitalization of reserves, benefits or issue premiums, at the rate of former shares which gave them the same right.

The capital and voting rights are divided as follows:

	31 12 2017			
	Number of shares	in % of capital	Number of voting rights	% of voting rights
Roland Fitoussi (Sethi , HIP)	453,462	11.5 %	795,598	17.3 %
FD5 (and family Beublain)	25,664	0.6 %	50,527	1.1 %
Didier Fauque	10,220	0.3 %	10,220	0.2 %
Executive Board	489,346	12.4 %	856,345	18.7 %
Laurent de Roover	29,101	0.7 %	58,202	1.3 %
Thomas Rocmans	48,372	1.2 %	96,744	2.1 %
X Chain Holding	48,372	1.2 %	96,744	2.1 %
Family of Patrick Lacarrière	39,240	1.0 %	78,480	1.7 %
Employed shareholders (GSP)	68,034	1.7 %	115,090	2.5 %
Other nominative shareholders	105,747	2.7 %	209,380	4.6 %
Total nominative shareholders	828,212	20.9 %	1 510 985	32.9 %
SQLI (own shares)	56,085	1.4 %	-	-
Public	3 075 241	77.7 %	3 075 241	67.1 %
Financière Arbevel	269,418	6.8 %	269,418	5.9 %
Otus Capital	253,528	6.4 %	253,528	5.5 %
TOTAL	3 959 538	100 %	4 586 226	100 %

10) Liquidity tools

		31 12 2017		31 12 2016	
Issue date		Number of warrants/options to be exercised	Number of potential shares	Number of warrants/options to be exercised	Number of potential shares
BSAAR	20 04 2011	3 574 437	357,444	4 379 757	437,976
BSA	16 09 2014	198,884	198,884	215,784	215,784
Stocks options	05 11 2014	12,650	12,650	44,000	44,000



Stocks options	22 02 2017	27,000	27,000	-	-
Free shares	22 02 2017	21,437	21,437	-	-
Total		3 834 408	617,415	4 639 541	697,760

BSAAR (04/2011)

The BSAAR issued in April 2011 will expire in April 2018. In 2017, 805,320 warrants have been exercised with the issue of 805,532 new shares.

At 31 December 2017, 3,574,437 outstanding BSAAR gave right to the subscription of 357,444 new SQLI shares at the exercise price of 15 €.

BSA (09/2014)

On 16 September 2014, the Executive Board granted 215,784 BSA to Didier Fauque, CEO (143,856 BSA) and Thierry Chemla, DEO (71,928 BSA).

The conditions of this allocation are the following:

- Each BSA gives a right to subscribe one new share at the exercise price of 19.90 €;
- BSA can be exercised for a period of three years following the second anniversary of the date of issue by the Board.
- They are divided in 3 categories of 71 928 BSA, submitted to performance conditions regarding SQLI share price which must be higher than 25, 30 and 35 €;

16 900 BSA have been exercised during the year.

Stock options (11/2014)

On 5 November 2014, the Executive Board granted 48,000 stock options to employees and executive managers.

The options will have to be exercised before the 6 November 2019 and the share purchase price is 16 €.

In 2017, 31,350 warrants have been exercised with the issue of 31,350 new SQLI shares.

Stock options and free shares (02/2017)

On 22 February 2017, the Executive Board granted 28,000 stock options to employees and 22 437 free shares to employees and executive managers.

The conditions of this allocation are the following:

- the options will have to be exercised before the 22 February 2024 at the latest (7 years);
- The 10,000 options allocated to Didier Fauque can not be exercised before 23 February 2019 and the remaining 18,000 options can not be exercised before 21 December 2020.
- Anybody leaving the company before the 23 February 2019 (for the 10,000 options allocated to Didier Fauque) and the 31 December 2020 (other options) will lose his exercise right.
- The share purchase price is set to 32.84 €.

Anybody leaving the company before the 31 December 2020 will lose his allocation right. 1,000 stock options and 1,000 free shares have been cancelled in 2017 following the departure of two beneficiaries.

The fair value of allocated stock options and free shares has been set to 506 K€. This value represents a charge registered in the Group non current result and is distributed on all the acquisition period of allocated right, until 31 December 2020. This charge amounts to 122 K€ in 2017.



11) SQLI Treasury shares

After the resolutions taken by the Combined General Assembly of 28 June 2017, SQLI started a program for buying back its own shares, with the following objectives (by decreasing priority): i) Market animation or share liquidity, ii) Purchase for keeping and using for exchange or retribution of possible external growth operations, iii) Allocation of shares to the employees, iv) Possible Cancellation of these shares.



This program expired during the General Assembly of 31 December 2017 called to assess the financial statements for the year. It includes a maximum unit purchase price of 70 € and a minimum unit selling price of 10 €. It was organised within a liquidity contract signed with la Financière d'Uzès and one with CACEIS.

	31 12 2017			31 12 2016		
	Number of shares	Unit price	Value	Number of shares	Unit price	Value
Self-owned shares at 1st January	78,617	20.999	1,651	60,104	17.500	1,052
Acquisitions of the year	12,727	40.488	515	30,936	31.088	962
Transfers at sale value	-35,259	18.940	-667	-12,423	32.653	-406
Transferred capital gain and loss			35			43
Self-owned shares at 31 December	56,085	€27.346	1,534	78,617	€20.999	1,651

12) Financial debt

	31 12 2017	31 12 2016
Repayable advances	-	22
Loans toward credit institutions	42,050	7,543
Restatement of lease contracts	226	115
Valuation of rate hedging instruments	-	25
Other non current liabilities	42,276	7,705
Loans toward credit institutions	1,895	1,987
Restatement of lease contracts	173	113
Received security deposits	21	21
Current bank lendings	51	4,893
Accrued interest not due	308	113
Valuation of rate hedging instruments	112	13
Current liabilities	2,560	7,140
Total of gross financial debt	44,836	14,845
Less:		
Cash flow and equivalents	-19,276	-9,573
Net financial debt (cash position net of debt)	25,560	5,272

The loans and financial debts contracted with credit institutions have been exclusively made in euros:

Loans toward credit institutions

In 2017, SQLI contracted 3 new loans for its investment program, including a credit agreement of 33 M€ with BNP Paribas and a bank pool.

Bank	Nominal value	Available from	Duration	Period rate	31 12 2016	Subscription Withdrawing	Repayment	31 12 2017
Palatine	7 M€	12/2014	5 years	EUR 3 +1.50%	4,530		-4,530	-
BPI France	2.5 M€	11/2014	7 years	2.84 %	2,500		-500	2,000
BPI France	2.5 M€	11/2014	10 years	4.43 %	2,500			2,500
BPI France	5 M€	03/2017	7 years	1.57 %	-	5,000		5,000
BPI France	2 M€	03/2017	7 years	1.57 %	-	2,000		2,000
BNP	33 M€	03/2017	7 years	EUR 12 +3.15 %	-	(4) 7,864		7,864
BNP	33 M€	05/2017	6 years	EUR 3 +2.30% (4)	-	(5) 6,881		6,881
BNP	33 M€	09/2017	6 years	EUR 3 +2.30% (4)		(6) 17,694		17,694
					9,530	39,439	-5,030	43,939

(5) Withdrawal of 8,000 K€ with deduction of 136 K€ borrowing costs spread of the duration of the loan. Repayment in fine March 2024

(6) Withdrawal of 7,000 K€ with deduction of 119 K€ borrowing costs spread of the duration of the loan. Annual repayment of 1.1 M€ until 2022 and 1.8 M€ in March 2023.



- (7) Withdrawal of 18,000 K€ with deduction of 306 K€ borrowing costs spread of the duration of the loan. Annual repayment of 3.4 M€ until 2022 and 4.5 M€ in March 2023.
- (8) Applied margin from 2.30% to 1.25% according to the Net financial debt/consolidated EBITDA ratio.



The 33 M€ credit agreement includes several cases of anticipated collectability, regarding, among others, failure to comply with the following financial ratios:

R2 = Net financial debt/consolidated EBITDA ratio :

	31 12 2017	31 12 2018	31 12 2019	31 12 2020	31 12 2021
R2 <	3.00 x	3.00 x	2.75 x	2.50 x	2.25 x

R4 = Net financial debt / Own equity ratio < 1 for each of the years 2017 to 2021.

These ratios have been respected at 31 December 2017.

As a guarantee for the repayment of the 33 M€ debt, SQLI as given to BNP a pledge of all the securities of STAR REPUBLIC and OSUDIO HOLDING BV.

13) Debts on capitalized rents

The value of future rents included in the other loans item and related to financing rental contracts is the following :

	31 12 2017	31 12 2016
2017	-	113
2018	173	85
2019	122	30
2020	74	-
2021	30	-
Discounted value of future rents	399	228

On 31 December 2017, the loans related to the reprocessing of leasing contracts have been made exclusively for SQLI Maroc and SQLI Suisse.

14) Gross financial debt per maturity

	31 12 2017	31 12 2016
Due within one year	2,560	7,140
Due between 1 and 5 years	26,105	6,634
Due in more than 5 years	16,714	1,071
Total	44,836	14,845

15) Derivative instruments related to the interest rate risk control

a- Hedging rules for rate risks

In 2017, the group contracted three rate hedges in order to cover the fluctuations of variable rates within the repayment duration of the 33 M€ loan. The company chose a fixed rate for each of them.

b- Hedging derivative instruments

The conditions of derivative instruments related to the rate risk control at 31 December 2017 are exposed as follows:

	Bank loan of 33 M€		
Starting date	30/06/2017	30/06/2017	20/12/2017
Floating rates payer	BNP	BNP	PALATINE
Floating rate	12 months EURIBOR	3 months EURIBOR	3 months EURIBOR
SQLI Fixed / floating rate	0.68 %	0.44 %	0.32 %
Notional amounts covered at 31 December:			
2017	8,000	12,000	13,000
2018	8,000	10,200	11,050
2019	8,000	8,400	9,100
2020	8,000	6,600	7,150
2021	8,000	4,800	5,200
2022	8,000	3,000	3,250
2023	8,000	-	-
2024	-	-	-
Instruments fair value at 31/12/2017	-48	-52	-12

In 2017, the variation of instruments fair value generated a charge of 75 K€ (2016: 40 K€).



16) Provisions

	2016	Integration into SQLI scope	Impact of exchange rate fluctuations	Impact of actuarial differences	Allowance	Used recoveries	Non used recoveries	2017
R&D tax credit	-				344			344
Retirement compensation	1,343			-180	165		-21	1,307
Swiss guarantee contracts	622		-60	206			-24	744
Conflicts in Labour Court and with URSSAF	186				100	-103		183
Trade conflicts	100				100		-50	150
Other	300		-8		700	-292		700
Long term provisions	2,551	-	-68	26	1,409	-395	-95	3,428
Loss upon completion	39				52	-39		52
Long term provisions	39	-	-	-	52	-39	-	52
Total	2,590	-	-68	26	1,461	-434	-95	3,480

The other provisions for risks and charges correspond to the estimation of the risks effect on the assets and liabilities, and to the possible conflicts resulting from the groups activity. The most significant are exposed thereafter:

The provisions for retirement indemnities are exposed in note 17).

The commitment related to the Swiss provision contracts, considered as defined services contracts under IAS 19 standard, has been provisioned for 744 K€. This commitment has been valued with the credit units method by referring to the following hypothesis:

- Mortality rate: BVG 2015 ;
- Turnover rate: 20% (same as in 2016);
- Wages upgrading rate : 3 % (same as in 2016);
- Discount rate: 0.30 % (same as in 2016);
- Interest rate for beneficiaries : 1 % (same as in 2016);

The only conflict with employees relates to the assignment of SQLI in front of the French Labour Court by 3 employees on 31 December 2017. The risk was provisioned according to the company's lawyers estimates (183 K€).

SQLI Maroc accepted the tax adjustments which have been required for years 2011 and 2012 regarding the tax on some benefits and allowances granted to its employees. These assessments are covered by a provision release of 292 K€.

In December 2017, SQLI Belgium was submitted to a tax adjustment regarding corporate tax for years 2011 to 2016. The risk was provisioned according to the company's lawyers estimates (200 K€).

SQLI head managers decided to reorganise the Parisian sites and relocate all of them into new premises located in Levallois-Perret. The relocation is planned for February 2018 and should generate provisioned extraordinary costs of 500 K€.

17) Benefits after employment

The advantages after employment covered by provisions are related to the retirement indemnities for the staff employed in France, which are fixed allowances calculated according to the number of years of service and the annual wages at the date of retirement. These indemnities are calculated according to the number of worked years and the annual wages of the employee when he retires.

- The calculation is based on a voluntary retirement decision from the employer;
- the retirement age is set at 65 years;
- The life table is the one of 2013-2015;
- The annual salary revaluation rate is calculated according to the age. For each age grouping, the given rate is the average of rates registered by the group in the last three years: from 3.8 % (from 20 to 30 years old), to 2.6 % (from 31 to 40 years old), 2.1 % (from 41 to 50 years old), 1.1 % (from 51 to 60 years old) then constant;
- The discounting rate is 1.30 %; (OAT rate 20 years);
- The turnover rate includes all departures, decided by the employee or by the company. For each age grouping, the given rate is the average of rates registered by the group in the last three years: 14,7 % (20-24 years old), 29,7 % (25-29 years old), 32,3 % (30-34 years old), 27,2 % (35-39 years old), 27,0 % (40-44



years old) ; then : 26,3 % (45-49 years old), 15,8 % (50-54 years old), 3 % (55 years old), 2 % (56-58 years old), 1 % (59-60 years old), 0 % (61 years old and more);

- The group's commitment to its employees is increased in 46 % by the social charges.

The provisions for the retirement indemnities are registered as follows:

Amounts recorded in the balance sheet

	31 12 2017	31 12 2016
Due charges (net liabilities in the balance sheet)	-1,307	-1,343
Deferred charges (net assets in the balance sheet)	-	-
Net amount in balance sheet	-1,307	-1,343

Evolution of commitments during the year (liabilities)

	31 12 2017	31 12 2016
Commitments at 1st January	1,343	1,253
Scope variation	-	-
Variation due to estimates changes generating actuarial differences	-180	-92
Fluctuation of items booked in the income statement	144	182
Commitment at 31 December	1,307	1,343

18) Deferred taxes

	31 12 2017		31 12 2016	
	Basis	Deferred taxes	Basis	Deferred taxes
Employees benefits	2,050	501	1,965	588
Tax deficit	6,931	1,941	400	133
Hedging instruments	112	28	38	13
Overriding depreciation	-839	-216	-615	-204
Loan issue cost	-516	-129	-70	-23
Distribution of rent-free periods	537	134	362	121
Depreciation of client portfolios	-2,095	-515	-470	-157
Allowance to provisions for tax-free withdrawals	-257	-58	-257	-58
Other	-117	-39	-15	-5
Net deferred taxes Assets (liabilities)		1,647		408
Deferred taxes - assets		2,115		408
Deferred taxes - liabilities		-468		0

19) Other non current liabilities

	31 12 2017	31 12 2016
Portion due in more than one year of INVENTCOMMERCE earn-out	615	1,140
Part at more than 1 year of STAR REPUBLIC ear-out	1,968	-
Portion due in more than one year of OSUDIO earn-out	1,854	-
Valuation of STAR REPUBLIC stock options	582	-
Valuation of OSUDIO stock options	10,865	-
Other non current liabilities	15,884	1,140

Call options on OSUDIO HOLDING BV securities can be exercised by tranches of one third in 2019, 2020 and 2021.
Call options on STAR REPUBLIC securities can be exercised in 2021 and 2022.

20) Other payables

	31 12 2017	31 12 2016
Paid advances and accruals	1,007	830
Staff and social institutions	29,383	24,072
Tax claims excluding corporate tax	24,057	17,288
Other various payables	1,864	720
Unearned revenues	11,980	8,707
Other payables and regularisation accounts	68,291	51,617





As mentioned in note 15) the deferred income corresponds to the services invoiced within long-term contracts which exceed services given and valued according to their progress.

The other various debts are related to :

	31 12 2017	31 12 2016
Portion due in more than one year of INVENTCOMMERCE earn-out	485	301
Portion due in more than one year of OSUDIO earn-out	925	-
Damages due to the staff	193	320
Damages related to other legal disputes	165	-
Attendance fees	45	45
Various other debts	51	54
Total Other various payables	1,864	720

The market value of the other payables does not differ from their accounting value.

21) Tax outstanding assets and liabilities

The group situation regarding taxes is as follows:

In the assets, the group has a total of 957 K€ of claims, coming from tax advances paid by the companies. In the liabilities, the taxes due amount to 1,603 K€.

22) Currency rate and exposure to exchange risk

The currencies and rates used for the conversion of financial statements of consolidated subsidiaries are exposed below:

Currencies	Used medium rate in 2017	Rate at 31.12.2017	Used medium rate in 2016	Rate at 31.12.2016
CHF	1.1115	1.1702	1.0902	1.0739
MAD	10.9699	11.2218	10.8531	10.6566
GBP	0.8761	0.8872	0.8352	0.8562
ZAR	15.0434	14.8054	15.8829	14.4570
SEK	9.6917	9.8438	-	-

For the group activity abroad, the exchange risks are the following:

Data in thousands of euros		CHF	MAD	GBP	ZAR	SEK	31 12 2017
Goodwill		-	-	2,105	-	7,359	9,464
Intangible fixed assets		-	33	85	-	351	469
Tangible fixed assets		177	1,937	1	9	178	2,302
Financial assets		242	397	-	2	14	655
Deferred taxes - assets		107	4	-	-	-	111
Non current assets	A	526	2,371	2,191	11	7,902	13,001
Customer receivables		7,114	2,962	308	291	2,312	12,987
Other receivables		80	2,506	35	-	187	2,808
Tax outstanding assets		-	-	-	3	-	3
Cash flow and cash flow equivalents		5,669	465	152	831	530	7,647
Current assets	B	12,863	5,933	495	1,125	3,029	23,445
Long term financial debt		51	169	-	-	-	220
Long term provisions		744	-	-	-	-	744
Deferred taxes - liabilities		-	-	44	-	75	119
Non current liabilities	C	795	169	44	-	75	1,083
Short term financial debt		35	141	1	-	-	177
Long term provisions		-	-	-	-	-	-
Debts with suppliers		661	1,190	60	34	411	2,356
Other payables		4,405	3,156	96	102	906	8,665
Tax outstanding liabilities		478	118	21	61	126	804
Current liabilities	D	5,579	4,605	178	197	1,443	12,002
Net position	A+B-C-D	7,015	3,530	2,464	939	9,413	23,361

The group does not have any exchange risk control policy.



23) Other income

	31 12 2017	31 12 2016
R&D tax credit	1,805	1,953
CICE	1,996	1,731
Operating subsidies	377	333
Rebiling of fees and other income	826	658
Transfer of costs	954	778
Total Other products	5,958	5,453

Tax credits for competitiveness and employment (CICE) have been booked in the income statement with R&D tax credits on line "Other earnings".

The total of R&D tax credits includes the amount of the current period, less depreciation (764 K€).

24) Staff related expenses

	2017	2016
Wages and allowance	96,799	86,624
Social costs	36,934	34,132
Staff costs	133,733	120,756
Provision for retirement compensations and other benefits	120	150
Total	133,853	120,906
Average staff (trainees ex.)	2,167	1,949
Staff registered at 1st January (trainees excluded)	2,020	1,875
Scope variations	228	22
Increase (decrease)	24	123
Staff registered at 31 December (trainees excluded)	2,272	2,020

25) Wages allocated to the Executive and Governing Boards members

The remuneration conditions for the group executive officers are set by the Executive Board. All the wages and advantages granted to the Boards members and head managers are divided as follows:

	Gross remuneration	Social costs	2017	Gross remuneration	Social costs	2016
Short-term benefits (1)	1,102	420	1,522	1,040	342	1,382
Benefits after employment	48	22	70	70	32	102
Attendance fees	70	18	88	70	18	88
Total	1,220	460	1,680	1,180	392	1,572

(1) "short-term benefit" must be intended as wages itself, which includes paid vacations, premiums, interest and in kind benefits.

26) Other transactions with related parties

The other transactions with related parties concluded at the market conditions are the following :

	31 12 2017			31 12 2016		
	Expenses	Income	Receivables (Debts)	Expenses	Income	Receivables (Debts)
LVCT	44	-	-	30	-	-
Total	44	-	-	30	-	-

The company doesn't conclude any transaction with related parties which wouldn't respect standard market conditions.



27) Charges externes

	2017	2016
Global outsourcing	42,978	32,957
Leasing and related costs	8,128	7,250
Maintenance and repairs	1,293	1,063
Insurance premiums	581	487
Various materials	604	296
Fees and staff outside the company	4,918	4,305
Advertising and external relationship	890	902
Goods transportation	68	124
Business trips, missions and receptions	4,565	3,849
Mailing and telecommunication costs	1,111	943
Bank services	240	215
Other external services	320	321
Total	65,696	52,712

28) Other non current operating incomes and expenses

	2017	2016
Restructuration costs	-2,324	-3,160
Costs related to the relocation of Parisian offices	-1,109	-
Acquisition costs related to companies mergers	-1,460	-251
Other transactions related to agreements and conflicts	-1,396	222
Stocks options and free shares	-122	-35
Total	-6,411	-3,224

Restructuring costs are mainly related to the departure of a few managers.

The acquisition costs of STAR REPUBLIC and OSUDIO amount to 398 K€ and 680 K€ and are booked as expenses for the year, in compliance with IFRS 3.

Tax controls in France, Morocco and Belgium represent a charge of 894 K€ in the year non current result. Risks and costs related to trade litigation amount to 502 K€.

29) Coût de l'endettement financier net

	2017	2016
Revenues from loans and receivables	30	12
Net earnings from VMP sales	45	43
Cash and cash equivalent income	75	55
Interest charges	-1,186	-495
Factoring financing commission	-99	-75
Hedging instruments for loans rates	-163	-12
Total of gross financial debt	-1,448	-582
Total of net financial debt	-1,373	-527

The other financial income and expenses are the following:

	2017	2016
Exchange rate differences	76	-13
Discounting of long term loans and debts	-16	96
Other financial income and charges	60	83

30) Tax liability

The tax cost or credit is analyzed as follows:

	2017	2016
Deferred taxes	-1,701	-74
Due taxes	2,882	4,167
<i>Inc. CVAE</i>	1,486	1,686
Tax (credit) charge	1,181	4,093



c- Tax integration

SQLI is the controlling company of a tax integrated group including the following subsidiaries as of 31 December 2017: ABCIAL, CLEAR VALUE, EOZEN France, ASTON INSTITUT, WAX INTERACTIVE, WAX INTERACTIVE LILLE and ECOMMERCE4U

d- Tax evidence

	2017	2016
Consolidated Result (bef. taxes)	3,155	10,305
Notional taxation rate	33.1/3 %	33.1/3 %
Notional tax expense	1,052	3,435
Effect of permanent differences	-188	-129
Effect of consolidation adjustments without effect on taxes	811	36
Effect of differences in mother-daughter rates and variable report	-607	-255
Effect of deferred deficits	-144	37
Effect of taxes without base and tax credits	-734	-154
Effect of CVAE integration in taxes	991	1,123
Effective tax expense	1,181	4,093
Effective taxation rate	37.43 %	39.72 %

31) Result per share

The numerator used to calculate the basis result and the result diluted per share is the year net result part of the group : 1,974 K€.

The weighted average number used as denominator is 3,846,859 shares for the result per share and 4,246,793 for the diluted result per share.

	31 12 2016	Variation during the year	31 12 2017
Number of issued shares	3 856 923	102,615	3 959 538
Number of treasury shares	-78,617	22,532	-56,085
Number of shares issued (treasury shares excluded)	3 778 306	125,147	3 903 453
Number of shares issued (treasury shares excluded)	3 684 044	162,815	3 846 859
Dilutive effects:			
BSAAR	290,142	-38,230	251,912
Stocks options	23,360	-3,041	20,319
BSA	86,444	22,125	108,569
Free shares	-	19,132	19,132
Average number of outstanding shares	4 083 990	162,803	4 246 793

VI. SEGMENT INFORMATION

Operating segment determination principles are exposed before.

Financial information related to operating segments is established with the same rules and accounting methods used for the consolidated accounts.

	31 12 2017		31 12 2016	
	Turnover	Current Operating result	Turnover	Current Operating result
France	149,586	8,026	149,097	13,120
Switzerland	31,600	702	23,796	237
North of Europe	26,470	1,381	14,029	-64
Other	4,304	770	3,987	680
Total	211,960	10,879	190,909	13,973



VII. OFF-BALANCE SHEET COMMITMENTS

The group has to take a certain number of commitments due to its activity. Some of these commitments generate provisions (like the commitments related to retirement and other advantages granted to the staff, legal disputes...) The other commitments not included in the balance sheet are listed below.

32) Remaining commitments coming from contract obligations

	Less than 1 year	From 1 to 5 years	More than 5 years	31 12 2017	31 12 2016
Premises	6,004	17,093	2,134	25,231	7,778
IT equipment	1,357	1,615	-	2,972	1,357
Vehicles	1,206	1,283	-	2,489	2,346
Operating Leasing contract rents	8,567	19,991	2,134	30,692	11,481

33) Commitments received

The former shareholders of WAX INTERACTIVE LILLE granted to SQLI, until the term of the legal deadline set in the related social and tax regulations, a guarantee on assets and liabilities with an exemption of 48 K€ limited to 400 K€, with a possible surplus of 20% of the received earn-out, cross-guaranteed by a bank surety of 200 K€. This guarantee does not include customer contracts.

The former shareholders of ECOMMERCE4U granted to SQLI, until the term of the legal deadline set in the related social and tax regulations, a guarantee on assets and liabilities with an exemption of 3 K€ limited to 40 K€, with a possible surplus of 20% of the received earn-out. This guarantee does not include customer contracts.

The former shareholders of INVENTCOMMERCE granted to SQLI a guarantee on assets and liabilities limited to 450 K€ for a period of 18 months starting from the transfer and of 7 years relating to tax issues. 50 K€ have been transferred to a escrow account as a guarantee for the guarantee.

The former shareholders of STAR REPUBLIC have granted SQLI a guarantee on its assets and liabilities for all damages exceeding individually 90 KSEK, and cumulatively 700 KSEK. This guarantee is limited to 15 000 KSEK.

The guarantee is valid until November 2018 and until the expiration of statutory limitation periods, regarding tax procedure.

The former shareholders of OSUDIO HOLDING BV granted SQLI a guarantee on its assets and liabilities for all damages exceeding individually 20 K€, and cumulatively 140 K€. This guarantee is limited to 3,800 K€.

The guarantee is valid until November 2019 and until the expiration of statutory limitation periods, regarding tax procedure.

34) Debts guaranteed by real securities

Following the repayment of 7 M€ credit line contracted with a bank pool including banque Palatine, BNP Paribas, Société Générale, Caisse d'Epargne et de Prévoyance Bretagne Pays de Loire and Crédit Lyonnais, all the granted securities were released, including the pledge of ECOMMERCE4U, WAX INTERACTIVE LILLE and WAX INTERACTIVE securities.

As a guarantee for the repayment of the 33 M€ debt, SQLI as given to BNP a pledge of all the securities of STAR REPUBLIC and OSUDIO HOLDING BV.

35) Credit lines accepted and still intact

The Group has three credit lines of 1 M€ each, with BNP Paribas, Caisse d'Epargne and the Banque Palatine, plus a 23.9 M€ factoring capacity untouched at 31 December 2017.

36) Current conflicts

Various legal actions have been made against the group companies from former employees or customers, or as parts or tax controls. SQLI made reserves according to the level of risk calculated by the management team and based on the recommendations of legal counseling.

SQLI Belgium has been notified in December 2017 of a VAT recovery payment of 1.2 M€ with 2.5 M€ of fine and default interests for years 2010 to 2016. The company is denying this recovery and filled a contradictory application in front of the first instance court. The hearing will be on 15 March 2019.



SQLI Belgium considers itself faultless regarding the amounts specified in the recovery claim and did not constitute any reserve or debt with the Belgian tax administration at 31 December 2017.

VIII. EVENTS RECORDED AFTER THE ACCOUNTS CLOSING

There has been no significant event registered after the accounts closure which could alter the accounts presented thereafter.

IX. STATUTORY AUDITORS FEES

	2017				2016			
	EXCO ACE		EY		EXCO ACE		EY	
	K€	%	K€	%	K€	%	K€	%
Auditing	82	100 %	357	100 %	78	100 %	183	100 %
Including Statutory Auditors, certification, assessment of individual accounts	82	100 %	245	62 %	78	100 %	183	100 %
Issuer	71	86 %	130	51 %	63	81 %	108	59 %
Fiscally integrated subsidiaries	11	14 %	115	49 %	15	19 %	76	41 %
Inc. services other than accounts certification	0	0 %	142	38 %	0	0 %	0	0 %
Other services performed by the networks for globally integrated subsidiaries	0	0 %	0	0 %	0	0 %	0	0 %



20.3.1. ANNUAL ACCOUNTS

Exco Paris Ace
5, avenue Franklin Roosevelt
75008 Paris
S.A. au capital de € 2 250 400
380 623 868 R.C.S. Paris, France

Statutory Auditors
Member of la compagnie
régionale de Paris

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Statutory Auditors
Member of la compagnie
régionale de Versailles

SQLI

Year closed on 31 December 2017

Report of the statutory auditors on the annual accounts

To SQLI General Assembly

Opinion

As part of the mission that was given to us by your General Assembly , you will find hereafter the audit report regarding SQLI annual accounts for year ended on 31 December 2017 enclosed to the present report.

We certify that the consolidated accounts of the financial year, which have been established according to the IFRS reference document as adopted in the European Union, are in order and give a true picture of the asset base, the financial situation, as well as the result of the group composed of the persons and the entities included in the consolidation.

The opinion presented above is consistent with the content of the report.

Basis of audit opinion

■ Auditing framework

We conducted our audit in accordance with the professional standards applied in France. We believe that our audit provides a reasonable basis for the opinion expressed hereafter.

Our obligations pursuant to these standards are presented in section "Obligations of statutory auditors regarding their annual accounts auditing job" of the present report.



■ Independence*

We performed our auditing in compliance with independence rules applicable to statutory auditors, for the period starting on 1st January 2017 to the date of publication of the report. We didn't perform any service prohibited by article 5, paragraph 1 of Regulation n° 537/2014 (EU) or by the French Code of Ethics for auditors.

Justification of our assessments - key points of the audit report

In application of articles L.823-9 and R. 823-7 of the Commercial Code related to the assessment justification, we wish to inform you of the following key facts, regarding the risks of material misstatements which were, in our view, the most significant for the auditing of the period annual accounts, along with the answers we gave to these risks.

The judgments made in this way fall within the framework of our auditing approach to the annual financial statements, taken as a whole, and hence contributed to the development of our opinion expressed before/ We don't make any judgment on each part of the annual accounts, taken separately.

■ Recognition of revenues resulting from package contracts

Audit key point	Our answer
At 31 December 2017, the turnover amounts to 148 M€.	We are aware of the internal control processes related to the pre-sales process, invoicing and accounting of package projects revenues.
Note D.h of the social accounts appendix details the Recognition principle of the turnover. The revenues resulting from package contracts are recognized according to the project advancement, based on costs incurred and remaining costs.	We performed tests on key assessments, especially those related to costs incurred and remaining costs per project.
A provision for losses at termination is recorded once the expected provisional margin for a project becomes negative.	We carried out the following diligences for some contracts based on quantitative (production in progress) and qualitative (contracts with technical operational issues or unexpected profitability level) criteria:
We considered the recognition of revenues resulting from package contracts as a key point of the audit because the cost calculation is based on assumptions and forecasts having a direct impact on the turnover and social accounts operating result.	• we analysed the contractual provisions and reconciled management data with accounting; • we recalculated the remaining costs and the progress of selected contracts; • we compared the margin on date and margin at termination and studied it with the financial controller; • we assessed the assumptions made by the managers in order to calculate losses at termination related to loss-making contracts. • When necessary, we compared the margins of 2017 with the margin expectations of the previous year.



■ Depreciation of securities

Audit key point	Our answer
At 31 December 2017, the financial fixed assets are recorded in the balance sheet with an carrying net value of 70 M€. These assets are submitted to impairment tests at least once a year. An impairment is recorded if the recoverable value is lower than the carrying amount. As mentioned in note D.c, the value of use depends on net assets (adjusted with gains and losses), the expected trend of results and to the economic interest of the group participation. We saw the valuation of holdings as a key point of the audit work, considering the importance of the management assumptions about cash flows, discount rates and long-term growth projections.	As part of our audit work, we assessed the processes used for impairment tests performed by SQLI. We performed the following verifications on impairment tests: • analysing the consistency of key assumptions related to goodwill impairment tests and holdings assessments; • checking the consistency of key assumptions related to the identification of discounted cash flows; • assessing, with the help of valuation experts, the discount rates and infinite growth rates used in comparison with market benchmarks.

Assessment of the management report and other materials to the shareholders

We also carried out the specific verifications stipulated by law, in accordance with the professional standards applicable in France.

■ Information given in the Company report and the other materials sent to the shareholders about the financial situation and the annual financial statements.

We don't have any remark regarding the accuracy and the concordance with the annual financial statements of the information provided in the Executive Board's management report and in the documents sent to the shareholders concerning the financial situation and the annual financial statements.

■ Report on corporate governance

We confirm the presence of information required by articles L. 225-37-3 et L. 225-37-4 of the Commercial Code in the Governance report.

We checked the consistency of information given in compliance with article L.225-37-3 of the French commercial code about the remunerations and advantages paid to executive officers as well as the commitments made in their benefit with the accounts or with the data used for the preparation of these accounts and, when necessary, with the information given by subsidiaries or controlling companies of your group. On the basis of this work, we confirm the accuracy and relevance of this information.

Regarding Information related to the factors which could have an impact in case of takeover bid or public exchange offer (pursuant to Article L.225-37-5 of the Commercial Code), we checked the compliance of this information with the materials submitted to us. On the basis of this work, we confirm the accuracy and relevance of this information.

■ Other information

In pursuance of the law, we made sure that the various information relating to the affiliates and controlling interests and to the capital holders' identity have been passed on to you in the management report.



Information related to other legal and regulatory obligations

■ Appointment of Statutory auditors

We have been appointed Statutory auditors by SQLI General Assembly on 26 June 2013 for Exco Paris Ace firm and on 20 June 2012 for ERNST & YOUNG et Autres firm.

In 2017, Exco Paris Ace firm was SQLI statutory auditor for the fifth year and ERNST & YOUNG et Autres for the sixth year.

Obligations of the Group management and members of corporate government regarding annual accounts.

The Group management team has to submit annual accounts presenting a fair view of the company situation, in compliance with French accounting rules and principles. It must perform the internal assessments needed to prepare the annual accounts and avoid any significant misstatements resulting from fraud or mistakes.

When preparing the annual accounts, the Group management shall assess the company ability to pursue its activities and shall include in the accounts the information related to business continuity and apply the standard accounting policy for business continuity, except in case of liquidation or winding-up.

The Audit committee shall follow the preparation of financial information and check the performance of internal control and risk management processes, including internal audit, regarding the preparation and processing of accounting and financial information.

The consolidated accounts have been closed by the Executive Board.

Obligations of the statutory auditors regarding the audit of annual accounts

■ Purpose and Auditing approach

We are in charge of preparing a report on annual accounts. The purpose is to obtain the reasonable assurance about whether the annual accounts taken together are free of any significant misstatement. "Reasonable assurance" refers to a high level of certainty, but any audit performed in compliance with the applicable professional standards can still miss some significant misstatements. Misstatements can be related to fraud or mistakes and are considered as significant when it is reasonable to expect that their individual or cumulated effect might affect economic decisions of the people using these accounts to elaborate their decisions.

According to article L. 823-10-1 of the Commercial Code, our audit mission is not meant to guarantee the sustainability or quality of the company management.

The statutory auditor uses his professional judgment when performing an audit work pursuant to the applicable professional standards. This includes:

- ▶ identifying and valuing the risks of significant misstatement within the annual accounts, due to fraud or mistakes; defining and implementing audit processes to control these risks and collecting information sufficient and relevant to confirm his opinion. the risk of not detecting a significant misstatement coming from a fraud is higher than for a misstatement due to a mistake, because fraudulent actions can include forgery, collusion, false representation and override of internal control;
- ▶ acknowledging internal controls relevant for the audit in order to define suitable auditing processes without expressing an opinion on internal control performance.



- ▶ assessing the suitability of accounting methods and reasonableness of the management accounting estimates, along with related information included in the consolidated accounts;
- ▶ assessing the suitability of the application of standard accounting policy for business continuity by the management and, based on the information provided, the potential significant doubts regarding events or circumstances likely to compromise the company ability to carry on its activities. This assessment is based on data collected until the date of the report, considering however that subsequent events or circumstances might affect business continuity. If a significant doubt is raised by the report, the statutory auditor calls the attention of the readers on the information provided in the consolidated accounts regarding this doubt or, if such information have not been provided or are not adequate, the statutory auditor expresses a certification with reservation or a refusal to certify;
- ▶ assessing the general presentation of consolidated accounts and controlling that the consolidated accounts are in line with underlying events and operations in order to guarantee a fair view of the company situation;

■ **Report to the Audit Committee**

We submit to the Audit Committee a report presenting our audit work and actions implemented, as well as the conclusions of our work. We also submit to the Committee the potential significant flaws identified within internal controls, regarding the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee includes the risks of significant misstatements which were considered as potentially affecting the annual accounts auditing and have been qualified as "auditing key points" and described in the present report.

We also submit to the Audit Committee the Declaration pursuant to Article 6 or Regulation n° 537-2014 (EU) confirming the auditors independent statute, following the rules applicable in France, such as articles L. 822-10 to L. 822-14 of the French Commercial Code and the French Code of Ethics for auditors. If needed, we discuss of the risks related to our independent statute and the safety measures to be applied with the Audit Committee.

Paris and Paris-La Défense , on 17 April 2018

The Statutory Auditors

Exco Paris Ace

ERNST & YOUNG et Autres

Alain Auvray

Jean-Christophe Pernet



20.3.2. CONSOLIDATED ACCOUNTS

Exco Paris Ace
5, avenue Franklin Roosevelt
75008 Paris
S.A. au capital de € 2 250 400
380 623 868 R.C.S. Paris, France

Statutory Auditors
Member of la compagnie
régionale de Paris

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La Défense Cedex
S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Statutory Auditors
Member of la compagnie
régionale de Versailles

SQLI

Year closed on 31 December 2017

Report of the statutory auditors on the consolidated accounts

To SQLI General Assembly,

Opinion

As part of the mission that was given to us by your General Assembly, you will find hereafter the audit report regarding SQLI annual accounts of year ended on 31 December 2017, enclosed to the present report.

We certify that the consolidated accounts, which have been established according to the IFRS reference document as adopted in the European Union, are in order and give a true picture of the year operating result, the asset base, the financial situation of the group composed of the persons and the entities included in the consolidation.

The opinion presented above is consistent with the content of the report.

Basis of audit opinion

■ Auditing framework

We conducted our audit in accordance with the professional standards applied in France. We believe that our audit provides a reasonable basis for the opinion expressed hereafter.

Our obligations pursuant to these standards are presented in section "Obligations of statutory auditors regarding their annual accounts auditing job" of the present report.



■ Independence*

We performed our auditing in compliance with independence rules applicable to statutory auditors, for the period starting on 1st January 2017 to the date of publication of the report. We didn't perform any service prohibited by article 5, paragraph 1 of Regulation n° 537/2014 (EU) or by the French Code of Ethics for auditors.

Justification of our assessments - key points of the audit report

In application of articles L.823-9 and R. 823-7 of the Commercial Code related to the assessment justification, we wish to inform you of the following key facts, regarding the risks of material misstatements which were, in our view, the most significant for the auditing of the consolidated accounts, along with the answers we gave to these risks.

The judgments made in this way fall within the framework of our auditing approach to the consolidated accounts, taken as a whole, and hence contributed to the development of our opinion expressed before/ We don't make any judgment on each part of the annual accounts, taken separately.

■ Recognition of revenues resulting from package contracts

Audit key point	Our answer
At 31 December 2017, the turnover amounts to 212 M€. Note II.15 of the consolidated accounts appendix details the Recognition principle of the turnover. The revenues resulting from package contracts are recognized according to the project advancement, based on costs incurred and remaining costs. A provision for losses at termination is recorded once the expected provisional margin for a project becomes negative. We considered the recognition of revenues resulting from package contracts as a key point of the audit because the cost calculation is based on assumptions and forecasts having a direct impact on the turnover and consolidated accounts operating result.	We are aware of the internal control processes related to the pre-sales process, invoicing and accounting of package projects revenues. We performed tests on key assessments, especially those related to costs incurred and remaining costs per project. We carried out the following diligences for some contracts based on quantitative (production in progress) and qualitative (contracts with technical operational issues or unexpected profitability level) criteria: • we analysed the contractual provisions and reconciled management data with accounting data; • we assessed the remaining costs and the progress of selected contracts; • we compared the margin on date and margin at termination and compared it with the information given by the financial controller; • we assessed the assumptions made by the managers in order to calculate losses at termination related to loss-making contracts. • When necessary, we compared the margins of 2017 with the margin expectations of the previous year.



■ Goodwill assessment

Audit key point	Our answer
At 31 December 2017, the financial fixed assets are recorded in the balance sheet with an carrying net value of 86 M€ (37% of total assets). These assets are submitted to impairment tests at least once a year. The impairment tests are based on the value in use of each cash-generating unit, which depends on discounted future cash flows, following estimates and forecasts. CGU consist in geographical sectors identified by the management. We saw the assessment of goodwill as a key point of the audit work, considering (i) the weight of these assets within the consolidated balance sheet, (ii) the importance of the management assumptions about cash flows, discount rates and long-term growth projections. When needed, an impairment is recorded if the recoverable value is lower than the carrying amount. As explained in note V.1), the recoverable value is the highest value between the net fair value of transfer costs and the value in use.	As part of our audit work, we assessed the processes used for impairment tests performed by SQLI. We performed the following verifications on impairment tests for each of the CGU: • we reconciled 2018 forecasts with the Executive Board budget; • we checked the consistency of key assumptions related to the identification of discounted cash flows; • we assessed, with the help of valuation experts, the discount rates and infinite growth rates used in comparison with market benchmarks; • we studied the sensitiveness tests performed by the management; • we assessed the new definition of CGU; • we compared the year achievements with the budget set during the previous year.

Assessment of the Group management report

We also carried out the specific verifications stipulated by law regarding information given in the Group management report, in accordance with the professional standards applicable in France .

We have no remarks to make concerning their accuracy and their concordance with the consolidated accounts.

Information related to other legal and regulatory obligations

■ Appointment of Statutory auditors

We have been appointed Statutory auditors by SQLI General Assembly on 26 June 2013 Exco Paris Ace firm and on 20 June 2012 for ERNST & YOUNG et Autres.

In 2017, Exco Paris Ace firm was SQLI statutory auditor for the fifth year and ERNST & YOUNG et Autres for the sixth year.



Obligations of the Group management and members of corporate regarding consolidated accounts.

The Group management team has to submit consolidated accounts presenting a fair view of the company situation, in compliance with the IFRS reference document as adopted in the European Union. It must perform the internal assessments needed to prepare the annual accounts and avoid any significant misstatements resulting from fraud or mistakes.

When preparing the consolidated accounts, the Group management shall assess the company ability to pursue its activities and shall include in the accounts the information related to business continuity and apply the standard accounting policy for business continuity, except in case of liquidation or winding-up.

The Audit committee shall follow the preparation of financial information and check the performance of internal control and risk management processes, including internal audit, regarding the preparation and processing of accounting and financial information.

The consolidated accounts have been closed by the Executive Board.

Obligations of the statutory auditors regarding the audit of annual accounts

■ Purpose and Auditing approach

We are in charge of preparing a report on consolidated accounts. The purpose is to obtain the reasonable assurance about whether the consolidated accounts taken together are free of any significant misstatement. "Reasonable assurance" refers to a high level of certainty, but any audit performed in compliance with the applicable professional standards can still miss some significant misstatements. Misstatements can be related to fraud or mistakes and are considered as significant when it is reasonable to expect that their individual or cumulated effect might affect economic decisions of the people using these accounts to elaborate their decisions.

According to article L. 823-10-1 of the Commercial Code, our audit mission is not meant to guarantee the sustainability or quality of the company management.

The statutory auditor uses his professional judgment when performing an audit work pursuant to the applicable professional standards. This includes:

- ▶ identifying and valuing the risks of significant misstatement within the annual accounts, due to fraud or mistakes; defining and implementing audit processes to control these risks and collecting information sufficient and relevant to confirm his opinion. the risk of not detecting a significant misstatement coming from a fraud is higher than for a misstatement due to a mistake, because fraudulent actions can include forgery, collusion, false representation and override of internal control;
- ▶ acknowledging internal controls relevant for the audit in order to define suitable auditing processes without expressing an opinion on internal control performance.
- ▶ assessing the suitability of accounting methods and reasonableness of the management accounting estimates, along with related information included in the consolidated accounts;



- ▶ assessing the suitability of the application of standard accounting policy for business continuity by the management and, based on the information provided, the potential significant doubts regarding events or circumstances likely to compromise the company ability to carry on its activities. This assessment is based on data collected until the date of the report, considering however that subsequent events or circumstances might affect business continuity. If a significant doubt is raised by the report, the statutory auditor calls the attention of the readers on the information provided in the consolidated accounts regarding this doubt or, if such information have not been provided or are not adequate, the statutory auditor expresses a certification with reservation or a refusal to certify;
- ▶ assessing the general presentation of consolidated accounts and controlling that the consolidated accounts are in line with underlying events and operations in order to guarantee a fair view of the company situation;
- ▶ regarding financial information on people or entities included in the consolidation scope, collecting data considered as relevant and sufficient to express a judgment on the consolidated accounts. The statutory auditor is in charge of managing, monitoring and performing the auditing of consolidated accounts and the judgment made on these accounts.

■ Report to the Audit Committee

We submit to the Audit Committee a report presenting our audit work and actions implemented, as well as the conclusions of our work. We also submit to the Committee the potential significant flaws identified within internal controls, regarding the preparation and processing of accounting and financial information.

The report submitted to the Audit Committee includes the risks of significant misstatements which were considered as potentially affecting the consolidated accounts auditing and have been qualified as "auditing key points" and described in the present report.

We also submit to the Audit Committee the Declaration pursuant to Article 6 or Regulation n° 537-2014 (EU) confirming the auditors independent statute, following the rules applicable in France, such as articles L. 822-10 to L. 822-14 of the French Commercial Code and the French Code of Ethics for auditors. If needed, we discuss of the risks related to our independent statute and the safety measures to be applied with the Audit Committee.

Paris and Paris-La Défense, 17 April 2018

The Statutory Auditors

Exco Paris Ace

ERNST & YOUNG et Autres

Alain Auvray

Jean-Christophe Pernet



LATEST FINANCIAL DATA

The last financial data are dated from 31 December 2017 and are included in the present reference document.

DIVIDEND PAYMENT POLICY

Proposition of approval and income appropriation

SQLI Executive Board decided to set the income appropriation of the year ended 31 December 2017 of 18,168,116.85 €, including a loss of 4,459,389.06 € and previous retained earnings of 22,627,505.91 € as follows:

- 8,209.20 € of legal reserve;
- 18,159,907.65 € of retained earnings.

INTERMEDIATE FINANCIAL DATA AND OTHERS

None.

SQLI has distributed dividends as follows:

- 3,417,734.40 euros for year ended 31 December 2016 ;
- 2,211,549.60 euros for year ended 31 December 2015 ;
- 1,633,148.10 euros for year ended 31 December 2014 ;

In application of Article R.225-102 of the Commercial Code, the present report include an attachment presenting SQLI results for each of the last five years.

LEGAL AND ARBITRATION PROCEDURES

At the date of the present Reference Document, as far as the company is aware of, there is no current judicial, administrative or arbitration procedure in process or threatening the company and likely to have a significant

impact on the company financial situation, its activity and its capital, except for the dispute described in paragraph 4.2.5. *"Current conflicts"*.

SIGNIFICANT CHANGE OF THE FINANCIAL OR COMMERCIAL SITUATION

No significant change of the financial or commercial situation occurred since the end of the previous financial year.



Chapitre 21. FURTHER INFORMATION

SHARE CAPITAL

21.0.1. AMOUNT OF SUBSCRIBED CAPITAL (ARTICLE 6 OF THE ARTICLES OF ASSOCIATION)

The share capital amounts to three millions one hundred sixty-seven thousand six hundred thirty euros and forty cents (3,167,630.40 €) divided into 3,959,538 shares with a par value of 0.80€, in a single class and each of them paid up in full.

21.0.2. UNREPRESENTATIVE SECURITIES

There are not any existing securities not representing capital.

21.0.3. SELF OWNED SHARES AND BUYBACK PROGRAMS

After the resolutions taken by the Combined General Assembly of 28 June 2017, SQLI started a program for buying back its own shares, with the following objectives (by decreasing priority): i) Market animation or share liquidity, ii) Purchase for keeping and using for exchange or retribution of possible external growth operations, iii) Allocation of shares to the employees, iv) Possible Cancellation of these shares.

This program expired during the General Assembly of 31 December 2017 called to assess the financial statements for the year. It includes a maximum unit purchase price of 70 € and a minimum unit selling price of 10 €. It was organised within a liquidity contract signed with la Financière d'Uzès and one with CACEIS.

At 31 December 2017, SQLI directly owns 56,085 SQLI consolidated shares.

Table 41. Variation of SQLI treasury shares

Shares	31/12/2017			31/12/2016		
	Number of shares	Unit price (€)	Value K€	Number of shares	Unit price (€)	Value K€
Self-owned shares at 1st January	78,617	20.999	1,651	60,104	17.500	1,052
Acquisitions of the year	12,727	40.488	515	30,936	31.088	962
Transfers at sale value	-35,259	18.940	-667	-12,423	32.653	-406
Transferred capital gain and loss			35			43
Self-owned shares at 31 December	56,085	27.346	1,534	78,617	20.999	1,651



Distribution and use of the self-owned shares according to the various objectives set by the General Assembly

A liquidity contract was signed with la Financière d'Uzès on 26 June 2015 for a duration of one year renewable by tacit consent. This liquidity contract is replacing a previous contract signed on 16 June 2006 between SQLI and la Financière d'Uzès.

The distribution and the use of treasury shares in 2017, according to various objectives set by the General Assembly, are the following :

Table 42. Animation of the market or liquidity of SQLI share as part of a liquidity contract

	Shares held at 1st January 2017	Shares bought between 1st January and 31 December 2017	Shares sold between 1st January and 31 December 2017	Shares Reallocated to other objectives between 1st January and 31 December 2017	Shares held at 31 December 2017
Number of shares	4,765	5,288	3,909		6,144
Total cost	162,706	216 96	132,481		247,279
Weight average price per share (€ / action)	34.14	41.03	33.89		40.24

Table 43. Holding and delivery as exchange or as payment of SQLI shares following external growth operations

	Retained at 1st January 2017	Number of redeemed shares between 1st January and 31 December 2017	Number of cancelled shares between 1st January and 31 December 2017	Number of shares reallocated to other objectives between 1st January and 31 December 2017	Balance or Number of held shares at 31 December 2017
Number of shares					
Total cost (€)					
Weight average price per share (€)					



Table 44. Allocation to employees and head managers of SQLI and affiliated companies

	Retained at 1st January 2017	Number of redeemed shares between 1st January and 31 December 2017	Number of sold shares between 1st January and 31 December 2017	Number of shares reallocated to other objectives between 1st January and 31 December 2017	Balance or Number of held shares at 31 December 2017
Number of shares	73,852	7,439	44,000		37,291
Total cost (€)	1,488,148	298,325	701,741		1,084,733
Weight average price per share (€)					

Table 45. Cancellation of shares

	Retained at 1st January 2017	Number of redeemed shares between 1st January and 31 December 2017	Number of sold shares between 1st January and 31 December 2017	Number of shares reallocated to other objectives between 1st January and 31 December 2017	Balance or Number of held shares at 31 December 2017
Number of shares	0	0	0	0	0
Total cost (€)	0	0	0	0	0
Weight average price per share (€)	0	0	0	0	0



Description of the Buyback program to be submitted to the next General Assembly

The shares buyback programs submitted to the next General Assembly will be as follows:

- objectives :
 - Market animation or share liquidity within a liquidity contract with an investment service firm;
 - Allocation of shares to the employees and head managers of the company and affiliated companies, for the participation to the company growth, the stock options, the allocation of free shares and company saving plan;
 - Their cancellation, depending on the acceptance of the resolution authorizing capital decrease, by the General Assembly.
 - Holding and use of SQLI shares to pay for external growth operations;
- Adapted conditions:
 - Maximum percentage of capital repurchase authorised by the General Assembly: 10% of the share capital, with the understanding that this limit is set on the date of repurchases to take account of any increase or reduction of the capital which might happen during the program.
 - Maximum price of purchase per share: 70.0€ ; However, in the event of a capital transaction, in particular through incorporation of reserves and allocation of free shares, the price indicated above will be consequently adjusted.
 - Minimum price of sale per share : €10.0

The program has an expected maximum duration of 18 months and is due to expire during the General Assembly called to assess the financial statements for the financial year ending 31 December 2018.

21.0.4. LIQUIDITY TOOLS

Information regarding the allocation of free shares, stock options and bonds warrants to Executive officers, managers and employees are detailed in Chapter 17. *"Employees"*.

The company doesn't have any earn-out still due and related to acquisitions which would have to be paid with new shares.

Free shares

In 2017, the Executive Board, exercising the authorization given by the extraordinary General Assembly of 15 June 2016, decided on 22 February 2017, to grant (i) 1,437 stock options to Didier Fauque (CEO) and (ii) a total amount of 21,000 stock options to certain employees including Nicolas Rebours, employee and Delegated Executive Officer.

1,000 free shares have been cancelled in 2017 following the departure of two beneficiaries.

At 31 December 2017, 21,437 free shares can give right to 21,437 shares, with a direct potential dilution of 0.5%.

Earn-outs paid with new shares



BSAAR

The BSAAR issued in April 2011 will expire in April 2018. In 2017, 805,320 warrants have been exercised with the issue of 805,532 new shares.

At 31 December 2017, 3,574,437 outstanding BSAAR gave right to the subscription of 357,444 new SQLI shares at the exercise price of 15 €.

The potential dilution related to the BSAAR at 31 December 2017 is 8.3%.

BSA

On 16 September 2014, the Executive Board granted 215,784 BSA to Didier Fauque, CEO (143,856 BSA) and Thierry Chemla, DEO (71,928 BSA).

The conditions of this allocation are the following:

- Each BSA gives a right to subscribe one new share at the exercise price of 19.90 €;
- BSA can be exercised for a period of three years following the second anniversary of the date of issue by the Board.
- They are divided in 3 categories of 71 928 BSA, submitted to performance conditions regarding SQLI share price which must be higher than 25, 30 and 35 €;

16,900 BSA have been exercised during the year and 215,784 are still to be exercised at 31 December 2017. The potential dilution related to the BSAAR at 31 December 2017 is 4.8%.

Stock purchase warrants

Allocations in 2014

On 5 November 2014, the Executive Board granted 48,000 stock options to employees and executive managers.

The options will have to be exercised before the 6 November 2019 and the share purchase price is 16 €.

In 2017, 31,350 warrants have been exercised with the issue of 31,350 new SQLI shares. At 31 December 2017, 12,650 stock options are still to

be exercised and the potential dilution related to these stock options is 0.3%.

Allocations in 2017

On 22 February 2017, the Executive Board granted 28,000 stock options to employees and executive managers.

The conditions of this allocation are the following:

- the options will have to be exercised before 22 February 2024 at the latest ;
- The 10,000 options allocated to Didier Fauque can not be exercised before 23 February 2019;
- The remaining 18,000 options can not be exercised before 21 December 2020;
- Anybody leaving the company before the start of the options exercise period will lose his exercise right.
- The share purchase price is set to 32.84 €.

1,000 stock options have been cancelled in 2017 following the departure of two beneficiaries. At 31 December 2017, 27,000 stock options can give right to 27,000 shares, with a direct potential dilution of 0.7%.



In Brief

At 31 December 2017, the total of potential dilution is related to the potential issue of 617,415 new shares, or 13.5%.

A shareholder owning 1.0% of SQLI capital would own 0.87 % of the capital after issue of the shares coming from dilutive instruments, if he doesn't hold any such share.

Table 46. Summary of dilutive instruments

Issue date		31/12/2017		31/12/2016	
		Number of warrants/options to be exercised	Number of potential shares	Number of warrants/options to be exercised	Number of potential shares
BSAAR	20/04/2011	3,574,437	357,444	4,379,757	601,827
BSA	16/09/2014	198,884	198,884	215,784	215,784
Stock options	05/11/2014	12,650	12,650	44,000	45,500
Stock options	22/02/2017	27,000	27,000		
Free shares	22/02/2017	21,437	21,437		
Total		3,834,408	617,415	4,639,541	863,111



21.0.5. RULES FOR PURCHASE AND OBLIGATION RIGHTS AIMED AT INCREASING THE CAPITAL

Table 47. Currently valid delegations during the year (Article. L 225-100 of the Commercial Code)

Date of General Assembly	N°	Purpose of the delegation	Duration of the delegation	Global ceiling	Use in 2017
15 June 2016	10	Free allocation of existing ordinary shares to the employees and/or the executive officers.	38 months	30,000 shares	Yes
15 June 2016	11	Allocation of stock options to the employees and/or the executive officers.	38 months	Options giving right to 30,000 shares	Yes
28 June 2017	12	Redemption of securities giving access to the capital in order to cancel these securities	18 months	10% limit of the company capital for every 24 months period	No
28 June 2017	15	Capital reduction with a cancellation of shares	18 months	10% limit of the company capital for every 24 months period	No
28 June 2017	16	increasing the social capital by issuing ordinary shares, with a subscription preferential right, in one or more issues.	26 months	912,000 Euro.	No
28 June 2017	17	Allocation of stock options to the employees and/or the executive officers.	38 months	Options giving right to 30,000 shares	No
28 June 2017	18	Increasing the share capital with the issue of new shares in compliance with articles L.3332-18 and followings of the French Labour Code.	12 months	Maximum notional amount of 14,000 euros per issue of a maximum number of 7,500 shares not exceeding the limit of 0.49% of share equity.	No



21.0.6. CAPITAL SUBJECTED TO OPTIONS, OR CONDITIONAL OR UNCONDITIONAL AGREEMENTS PREPARING FOR OPTIONS

SQLI capital, which is detailed in Chapter 7. *"Organization chart"* is not subject to any option, or conditional and unconditional agreements preparing for options.

21.0.7. EVOLUTION OF SHARE CAPITAL DURING THE YEAR

At 31 December 2017, the capital amounts to 3,167,630.40 €, divided in 3,959,538 shares of 0.80 € each. All the shares belong to the same category and are entirely paid in.

The significant changes in SQLI share capital which happened in the last three years are detailed hereafter:

Table 48. Evolution of share capital during the last 3 years

Date of operation	Nature of operation	Number of created shares	Nominal value	Fluctuation of share capital	Amount of share capital (after operations)	Total number of shares
29/12/2017	Capital increase related to the shares subscribed for the PEG TESORUS plan	5,183	€0.80	€4,146.40	3,167,630.40 €	3,959,538
2017	Capital increase resulting from the exercise of BSA	16,900	€0.80	€13,520.00	€3,163,484.00	3,954,355
2017	Capital increase resulting from the exercise of BSAAR	80,532	€0.80	64,425.60	€3,149,964.00	3,937,455
2016	Capital increase resulting from the exercise of BSAAR	163,851	€0.80	€131,080.80	€3,085,538.40	3,856,923
21/12/2016	Capital increase only for employees members of the Group Saving plan	7,156	€0.80	€5,724.80	€2,954,457.60	3,693,072
2015	Exercise of 658,830 BSAAR	65,883	€0.80	€52,706.40	€2,948,732.80	3,685,916
24/12/2015	11,807 shares subscribed for the PEG TESORUS plan	11,807	€0.80	€9,445.60	2,896,026.40 €	3,620,033
26/01/2015	11,228 shares subscribed for the PEG TESORUS plan	11,228	€0.80	€8,982.40	€2,886,580.80	3,608,226





DEED OF FOUNDATION AND ARTICLES OF ASSOCIATION

21.1.1. SQLI SOCIAL PURPOSE - (ARTICLE 3 OF ARTICLES OF ASSOCIATION)

"The Company's purpose, both directly and indirectly, in France and in all other countries is as follows:

- Communications and web marketing consulting,
 - Design and ergonomics of websites,
 - Consulting regarding the choice of IT systems architecture and IT systems,
 - Integration and implementation of information technology systems
 - Design and development of IT software,
 - Distribution of IT software,
 - IT training, and
 - All industrial and commercial operations pertaining to:
- Creation, purchasing, hiring, and management leases of any businesses, taking of leases, installation and exploitation of any establishments, businesses, factories, workshops, pertaining to one or other of the Company activities;
 - Acquisition, purchasing, exploitation or disposal of any procedure or patent concerning the Company activities;
 - The direct or indirect participation of the Company in any finance, property or asset operations or industrial or commercial companies which are associated with the Company purpose or a similar or connected purpose;
 - All operations that contribute to the achievement of the Company purpose."

21.1.2. MEASURES RELATED TO THE GOVERNING, EXECUTIVE AND SUPERVISORY BOARDS

Statutory procedures

The articles below, related to the members of the Executive Board and Head managers, are part of the Company statutes.

Article 14 EXECUTIVE BOARD

"1 – Appointment

The company is run by an Executive Board, made up of three to eighteen members.

The Executive Board can include one or more members elected by the company staff, or by the subsidiaries staff in compliance with articles L.225-27 and L.225-28 of the Commercial Code and with paragraph 4 exposed below. These members elected by the employees are not included in the minimum and maximum amount of members set by the present Statutes.

The members can be natural or legal persons.

When appointed, the members being legal persons have to choose a permanent representative who is submitted to the same conditions and obligations and who has the

same civil and criminal liabilities as a natural person, without prejudice of the joint and several responsibility of the legal person represented.

The members are appointed by the Ordinary General Assembly.

In case of vacancy for death or resignation of one or more members, the Executive Board can provisionally appoint new members in order to reach the required number of Board members, up to the next General Assembly meeting. These appointments must be done within three months following the vacancy, when the number of members is below the required minimum number, without being below the legal number. The appointments



made by the Board must be confirmed in the next Ordinary General Assembly.

When the number of members is below the legal number, the remaining members must immediately call for an Ordinary General Assembly in order to complete the Executive Board. The members appointed to replace a former member hold the position during the remaining time of the former member mandate.

The number of members working within the company can not exceed one third of the Board members, except in a few cases defined by law, regarding for instance the case of members elected by shareholders employees.

2 – Duration of the mandates

The Executive Board members are appointed for six years.

The mandates end at the end of the Ordinary General Assembly meeting presiding over the past year accounts and held within the same year of the member mandate expiry date.

Any member of the Directory is re-eligible.

3 – Age limit

The age limit for Board members is 75 years old.

A new member can not be appointed if he's older than 75 years old.

If the age limit is reached by an appointed Board member, he will automatically be considered as a resigning member at the end of the next General Assembly.

4 –Members appointed by employees

If the report presented by the Executive Board during the General Assembly stipulates, in compliance with article L.225-102 of the French Commercial Code, than the shares held by the employees of the Company and its affiliates, according to Article L.225-180, account for more than 3% of the share capital, one or more Executive managers have to be elected by the General Assembly after the suggestion of shareholder workers.

At least two months before the General Assembly, the Executive Board asks the employees to choose candidates. The Executive Board chairman receives the written suggestions of the staff in order to choose a candidate. To be receivable, the candidates have to represent at least 5% of shareholder workers. This procedure is recorded in a minute containing the number of votes for each candidate. The list of all chosen candidates is prepares and communicated to the Executive Board.

5 – Dismissal

Every member of the Executive board is revocable by the General Assembly without notice. The revocation of a member of the Executive board does not bring about the dismissal of this one, if (s)he is also employee of the company.

6 – Resignation

The Executive Board members can resign freely, provided that this resignation is not made at the wrong moment or with the intention to prejudice the company. "

Article 15 - ORGANIZATION OF THE EXECUTIVE BOARD

"1 – The Executive Board Chairman

The Executive Board elects by simple majority within its members a Chairman, who has to be a natural person.

The Executive Board decides of the Chairman remuneration and of the duration of his mandate, which can not exceed the duration

of his Board member mandate. The Chairman can be reelected.

The Chairman must be less than 75 years old. If the current chairman exceeds this age, he is automatically considered as outgoing.



In case of temporary vacancy or death, the Executive Board can provisionally give the function of chairman to a member.

The Chairman represents the Executive Board. He organizes and runs its missions, which he presents to the General Assembly. He checks the good functioning of the company organs and the ability of the members to fulfill their mission.

The Executive Board appoints a secretary who assists the Chairman in preparing and recording the Board meetings. He can be appointed among the members or outside the Board. He is dismissed by decision of the Board.

The Chairman can resign freely.

He can, at any moment, be dismissed by the Executive Board. In this case, he remains a member of the Board.

2 – Meetings and deliberations of the Executive Board

The Executive Board meets as often as needed, when the Chairman requests it, in the headquarters or in any other place chosen by the Chairman.

If the Executive Board has not met in more than two months, a third of the Board members can ask the Chairman to call for a meeting.

The CEO can also ask the Chairman to call for an Executive Board meeting. If the meeting has not been called by the Chairman within 20 days, the CEO can call the meeting.

The convening must be called at least 3 days before the meeting date. They must give the agenda of the meeting. The convening can be verbal and immediate, if the members agree.

The convening must contain all the projects and documents needed to inform the members.

An attendance record is kept and signed by the members who participate to the meeting. This record includes the names of members who are present, deemed to be present or represented, pursuant to article L 225-37 of the

Commercial Code. It must include the names of members who attended through videoconference and telecommunication.

The Board meetings can be organized through videoconference in the conditions given by the law, and the company statutes. They can be organized through telecommunication allowing the identification of the members and their effective participation, in the conditions given by the law, and the company Articles of association.

The Executive Board can make decisions only if at least half of the members are present.

The decisions are made by majority of the present of represented members. A member can represent only one other member, with a justification of his agreement.

The participation of members through videoconference and telecommunication is included for the calculation of the quorum and the majority, except for the participation related to the following decisions :

- preparation of the annual accounts and of the management report;
- preparation of the consolidated accounts and of the group management report if not included in the annual report.

The vote of the presiding officer is predominant.

The Executive Board decisions are recorded in minutes drafted on a specific quoted register, in compliance with the regulatory procedures.

The minute of every meeting must include the name of the present, represented, exempted, and absent members. The presence or absence of the people summoned are recorded in compliance with the law. Every technical incident related to videoconference is recorded, if it disturbed the meeting.

The minutes are signed by the presiding officer and by one or two members.

Copies and extracts of the Executive Board minutes are duly certified by the Chairman, the CEO, the delegated executive officers, the



delegated chairman, and an attorney appointed by one of the members listed above."



"1 – Powers

The Executive Board defines the orientations of the company activity and looks after their implementation.

In compliance with the powers given by law to the shareholders assemblies, and in the limit of the social purpose of the company, the Board deals with any issue regarding the good functioning of the company.

Every member must receive all the information needed to the achievement of his mission and can request from the Board Chairman or the Governing Board all the documents he needs.

The Executive Board can decide to create study committees in charge of dealing with the subjects submitted by the Board.

2 – Choice of Governance system

The General management of the company is run by the Executive Board Chairman, or by another person, called the CEO and appointed by the Executive Board.

The conditions of exercise of the Head management are defined by the Executive Board in the meeting during which the Chairman is appointed. This decision is taken by majority of the present or represented members.

The shareholders and third parties are informed in compliance with the regulatory conditions.

The conditions of exercise of the Head management can be changed at any time.

Head Managers

In compliance with the function defined by the Executive Board, the Chairman or CEO is responsible of the company head management.

The CEO is appointed by the Executive Board which set the duration of his mandate, his remuneration and limits his powers.

The CEO must be younger than 65 years old. If the current CEO exceeds this age, he is automatically considered as outgoing and a new CEO must be appointed.

The CEO can be dismissed by the Executive Board at any moment. The revocation can lead to damage compensations if it is decided for unfair reasons.

Powers of the CEO

The CEO has the power to take action in the name of the company. His powers are limited by the social purpose and in compliance with the powers given by law to the General Assemblies and the Executive Board.

He represents the company in its relationship with third parties. The company is bound by the CEO actions, even those which are not related to the social purpose, unless it can prove that the third party was aware that the act was not part of the company social purpose and that he could not ignore it given the circumstances. The publication of statutes can not be the only proof.

Delegated Executive Officers

After recommendation of the CEO, the Executive Board can appoint one or more natural persons, members or not, to be delegated Executive Officers and assist the CEO.

The maximum number of Delegated Executive Officers is five.

The Delegated Executive Officer must be younger than 65 years old. If the current delegated Executive Officer exceeds this age, he is automatically considered as outgoing and a new delegated Executive Officer must be appointed.

The Executive Board defines the duration and the object of the powers granted to the DEO with the CEO. The Board also decides of his remuneration.

The DEO has the same powers as the CEO regarding the relationship with third parties.



In case of termination of function or vacancy of the CEO, the DEOs keep their function and attributions until the appointment of a new CEO, except if the Executive Board disagrees.

The DEOs can be dismissed after request of the CEO at any moment. The revocation can lead to the payment of damage when decided without sufficient grounds."

Article 18 - REMUNERATION OF THE EXECUTIVE BOARD MEMBERS

"The Executive Board members are remunerated with Attendance fees whose amount is set by the Ordinary General Assembly meetings.

Extraordinary compensations can be allocated to the Executive Board members in compliance with the law. "

Article 19 - REGULATED CONVENTIONS

"1 – The Executive Board members other than legal persons, the CEO and the DEOs are not allowed to subscribe loans with the company, to have an overdraft on a current account or other within the company and to ask for the company guarantee above commitments with third parties. This measure applies also to representatives of legal persons members of the Board, and to the relatives of the persons mentioned above.

2 – Any direct or indirect convention between the company, its CEO or DEO, one of his Board members, one of the shareholders with voting rights exceeding 10%, or one of the participating companies, must be submitted to the agreement of the Executive Board, in compliance with article L 233-3 of the Commercial Code. It is also the case for conventions in which one of the persons described above is indirectly interested.

The conventions between SQLI and another company are also submitted to the Board agreement, if the CEO, DEO or one of the Board members is the owner, a partner, a Board member, a head manager or a member of the Executive Board of this other company.

These conventions must be authorized and approved in compliance with article L 225-40 of the Commercial Code.

The prior approval of the Executive Board has been granted considering the interest of the Convention for the Company, with a specification of the financial conditions attached.

3 - The conventions related to current deals concluded in normal conditions, as well as the conventions concluded between two companies when one of the two directly or indirectly owns the entire capital of the other, with deduction of the minimum number of shares required to satisfy to the provisions of Article 1832 of the Civil Code or articles L.225-1 and L.226-1 of the Commercial Code, are not submitted to the authorization and approval given in articles L 225-38 and followings of the Commercial Code.

The conventions concluded and approved during previous financial years which are still exercised in the current year are being revised every year by the Executive Board and communicated to the Statutory Auditors as part of the special report of Statutory Auditors regarding regulated conventions. "

Measures related to the Executive Board members and Head Managers included in the Executive Board rules of procedure

The new rules of procedure of the Executive Board voted on 22 September 2011 are exposed below.

The Executive Board of SQLI « the *company* » decided to establish the following measures, which represent its rules of procedure « *Work regulations* ».



The work regulations aim at:

- Identifying the formation, the organization, the role and powers of the Executive Board towards the General Assembly by completing the existing legal procedures and statutes;
- Improving the efficiency of meetings, debates, and being a reference for the periodic valuation of the Executive Board functioning;
- Integrating the management of the Company in the rules guaranteeing the respect of corporate governance principles.

Every member of the Executive Board is personally responsible of the Rules of Procedure application.

The Executive Board met on 13 November 2008, decided to refer to the AFEP/MEDEF corporate rules in its consolidated version of December 2008.

As decided by the Executive Board on 21 March 2013, the Company chose to comply with MiddleNext Corporate rules for listed companies in replacement of the AFEP-MEDEF from 1st July 2013.



The Rules of Procedure are for internal use. They do not replace the company statutes but put them into application. They can't be challenged by a third party. Their existence will be presented to the shareholders in the annual report.

ROLE AND POWER OF THE EXECUTIVE BOARD

Missions and powers

The Executive Board defines the orientations of the company activity and looks after their implementation.

In compliance with the powers given by law to the shareholders assemblies, and in the limit of the social purpose of the company, the Board deals with any issue regarding the good functioning of the company.

Every member must receive all the information needed to the achievement of his mission and can request from the Board Chairman or the Governing Board all the documents he needs.

The Executive Board can decide to create study committees in charge of dealing with the subjects submitted by the Board.

Choice of the governance system

The Executive Board decides of the governance system for the company. The General management of the company is run by the Executive Board Chairman, or by another person, member or not of the EB, called the CEO and appointed by the Executive Board.

The conditions of exercise of the Head management are defined by the Executive Board in the meeting during which the Chairman is appointed. This decision is taken by majority of the present or represented members.

The shareholders and third parties are informed in compliance with the regulatory conditions.

The conditions of exercise of the Head management can be changed at any time.

DELEGATED EXECUTIVE OFFICER

Appointment

After recommendation of the CEO, the Executive Board can appoint one or more natural persons, members or not, to be delegated Executive Officers and assist the CEO.

The maximum number of Delegated Executive Officers is five.

The Delegated Executive Officer must be younger than 65 years old. If the current delegated Executive Officer exceeds this age, he is automatically considered as outgoing and a new delegated Executive Officer must be appointed.



Powers

The Executive Board, after agreement with the CEO, defines the duration and the object of the powers granted to the DEO with the CEO. The Board also decides of his remuneration.

The DEO has the same powers as the CEO regarding the relationship with third parties.

In case of termination of function or vacancy of the CEO, the DEOs keep their function and attributions until the appointment of a new CEO, except if the Executive Board disagrees.

INFORMATION AND COMMUNICATION TO THE EXECUTIVE BOARD

At any time of the year, the Executive Board makes the assessments and controls considered as necessary. The Chairman or CEO has to communicate to any member all the documents and information requested.

The Executive Board members receive before the meeting of the Board the documents needed to examine the items which will be debated during the meeting.

DECISIONS AND COMMITMENTS TO BE SUBMITTED TO THE BOARD

The following actions and decisions must be submitted to the Board:

- External growth operations;
- Approval and modification of annual budget;
- Any investment not included in the annual budget (*) which exceeds a global amount of 500,000 euros and any expense not included in the annual budget which exceeds a global amount of 500,000 euros (excluding recruitment operations);
- Any subsidiary creation or joint venture agreement;
- Any agreement or disposal or transfer act, with or without charge, of assets which are essential to the Company and/or its subsidiaries;
- Contracting a loan or any bond issue which would not be included in the annual budget and concluding an off-balance sheet commitment whose amount would exceed 1,000,000 euros (including liability guarantees);
- The grant of any security affecting the company and/or subsidiaries assets outside of their normal business and exceeding the annual allocation;
- Any decision leading to a modification of the Company statutes including but not limited to a change in the social form, the governance procedures, the social purpose and the nature of business;
- Any capital increase or decrease, securities issue in any category, merger, separation or partial contribution of assets regarding a company in the group;
- Any decision affecting SQLI brand by extension or restriction of its use;
- The implementation or modification of any participation, interest, stock option plan, of free shares allocation plan or of carry BSAAR.
- Any decision related to a change in the place of quotation for the company securities, including the withdrawal.
- Any change in accounting procedures;



The following items will have to be regularly reported to the Board:

- Cash position;
- Any change in high management positions (agency managers) and any change in the terms of agreement with one of these members (including in the work contract).
- For subsidiaries managers, any change regarding:
 - Their appointment and dismissal;
 - The appointment of subsidiaries Executive Board members;
 - The powers of the Executive Boards of SQLI subsidiaries.
- Any decision leading to a modification of a subsidiary statutes including but not limited to a change in the social form, the governance procedures, the social purpose and the nature of business;

(*) : "the budget will include an "investments" section from 2012".

PARTICIPATION TO THE MEETINGS VIA VISIOCONFERENCE AND TELECOMMUNICATION

For the calculation of the quorum and the majority, the presence of the Supervisory Board members is requested who can participate to the meeting by videoconference or telecommunications in compliance with the legal conditions. The voice of the participants must be transmitted and the technical tools must allow the continuous retransmission of the debates. Consequently, in compliance with article R 225-21 of the Commercial Code, the members can participate in the meetings through videoconference and phone calls.

However the participation to the Executive Board meetings by telepresence or telecommunication is not accepted for the deals defined by articles L.232-1 et L.233-16 of the French Commercial Code, that is for the annual accounts and Management report drafting as well as for the consolidated accounts and group management report drafting.



21.1.3. RIGHTS, PRIVILEGES AND RESTRICTIONS TIED TO THE COMPANY SHARES

The articles below, related to the rights, privileges and restrictions for each category of shares, are extracted from the company statutes.

Article 10 – FORM OF SHARES – IDENTIFICATION OF SHAREHOLDERS

"1. The shares can be nominal or bearer, according to the shareholders choice, in compliance with the legal statutes related to the form of shares held by some people. They must be recorded in the accounts according to the conditions and procedures given by the law.

The ownership of nominal shares depends on their recording in the nominative account. The ownership of bearer shares depends on their recording by an authorized financial intermediate.

2. The company has the right, in compliance with the legal rules and regulations, at any moment and in exchange of a compensation whose amount is set by the Ministry of Economics, to ask the institutions in charge of the securities compensation the name or for a corporate body the corporate name, the nationality, the birth date and the constitution date and the mailing address of the securities holders who have voting rights in the company assemblies along with the number of securities held by each of them and the restrictions on the securities. "

Article 11 – INDIVISIBILITY OF SHARES

« As regards the Company, shares are indivisible. Shares that are co-owned are represented at Shareholders meetings by one of the owners or by a mutually agreed proxy. Failing agreement between them on the choice of a proxy, a proxy is designated by the order of the Chairman of the Commercial Court ruling in summary procedure at the request of the most diligent co-owner.

The voting right that is tied to the share belongs to the usufructuary in the Ordinary General Assembly and to the bare owner in the Extraordinary General Assembly. However, shareholders can agree amongst

themselves on any other sharing out of the use of votes in General Assemblies. In this case they will have to let the Company know about what they have agreed by a registered letter sent to the Company headquarters. The Company is under the obligation to respect this agreement for all General Assemblies that meet following a time frame of one month pursuant to the sending off of the registered letter; the post mark on the letter will act as the proof of the sending date. Each of the co-owner of indivisible shares, the usufructuary and the bare owner of shares also have the right to consult the social reports." "

Article 12 – SALE AND TRANSFER OF SHARES

"1. The shares registered in the account are transmitted through bank transfer.

2. Apart from respecting the applicable legal and regulatory obligations concerning the crossing of thresholds, every corporate body or natural person, acting alone or in concert, who has come to own, directly or indirectly, by the means of one or several corporate bodies, controlled according to the meaning of article

L. 233-3 of the French Commercial Law, a number of shares or voting rights representing five percent of the capital or of the voting rights in the Company or any multiple of this same percentage, and this even if this multiple exceeds the legal threshold of five percent, must notify the Company the total number of shares or rights s/he/it owns, by the means of a registered letter with a acknowledgment of



receipt sent to the Company headquarters within fifteen days as from the crossing one of these thresholds.

This obligation to inform the Company applies, in conformance with the same aforementioned conditions, every time that the fraction of the capital or held voting rights falls below one of the thresholds mentioned in the preceding paragraph.

If any of these provisions are not respected, the shares exceeding the threshold will be deprived

of their voting rights for all General Assemblies which will take place over the following two year period counting from the moment that the notification has been regularized, as long as the request to deprive these rights is made by one or several shareholders holding individually, or in concert, a fraction of capital or voting rights at least equal to the smallest fraction of capital which needs to be declared when held. This request is registered in the minutes of the Shareholders meeting. "

Article 13 – RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES

"1. 1. Every share entitle, in the profits and the corporate capital, to a proportional share in the capital quota which it represents and gives right to vote and, to the representation in the General Assemblies, within the legal conditions set by the law and the article of incorporation.

Any shareholder is entitled to be informed about the running of the Company and to get communication of some corporate documents in the times and in conditions planned by the law and the articles of incorporation.

2. The shareholders bear the debts only in competition of their contributions.

Subject to the legal and regulatory capacities, no majority can impose them an increase in their commitments. The rights and the obligations tied to the share follow the security everywhere it goes.

The possession of a share consists by right of memberships to the decisions of the General Assembly and to the present articles of incorporation. The transfer includes all the due and not paid dividends and dividends to be

fallen due, thus possibly that the share in the reserve funds, except opposing measures notified to the Company.

The heirs, the creditors, the eligible persons or other representatives of a shareholder cannot, on no account whatever it is, demand the installation of seals on the assets and on corporate documents, ask for the division or sale by auction of these assets, nor interfere in the management of the Company. To exercise their rights, they have to, rely on the corporate inventories and on the decisions of the General Assembly.

3. Every time it is necessary to own some number of shares to exercise some right, in case of exchange, of bulking, of allocation of securities, or during capital increase or reduction, during a fusion or during any other operation, the shareholders who own a number of shares lower than the required one, can exercise these rights only if they personally commit themselves to obtain the required number of shares. "



21.1.4. PROCEDURES NEEDED TO ALTER THE SHAREHOLDERS RIGHTS

The articles below, related to the procedures needed to alter the shareholders rights are extracted from the company statutes.

Article 21 - NATURE OF ASSEMBLIES

"The decisions of the shareholders are made during the General Assembly meetings.

The Ordinary General Assemblies make all the decisions which do not modify the company statutes.

The Extraordinary General Assemblies make the decisions and give the authorizations related to the statutes.

The Special Assemblies consist in a meeting between the shareholders of a particular category in order to make decisions for this category members rights.

All the shareholders, even the absent, dissident and incapable ones must respect the deliberations of the General Assemblies. "

Article 23 - AGENDA

"1. The General Assembly agenda is drawn up by the author of the convocation.

2. One or several shareholders, who together hold the required quota of capital and acting in accordance with the time frame and conditions set out in the law, can request, by registered letter with acknowledgment of receipt, the inclusion in the agenda for the General Assembly of resolution projects.

3. The General Assembly cannot deliberate on a question that has not been entered in the agenda, which cannot be modified by a second convening. The Assembly can however, in every circumstance, revoke one or several members of the Executive Board and carry out their replacement.

Article 25 - ASSEMBLY MEETING - OFFICE - MINUTES

"1. An attendance register must be signed by all attending shareholders and proxies, kept together with all proxy forms and postal voting forms. This register accuracy must be confirmed by the General Assembly office.

2. General Assemblies are presided by the Chairman of the Executive Board or in her/his absence by a member of the Executive Board who has been specially assigned this task by the Executive Board.

If the Meeting has been convened by the Statutory Auditors or by a legal proxy, the Shareholders' Meeting is chaired by the author of the convocation.

Failing that, the General Assembly elects a Chairman.

The two shareholders, present and willing, representing by themselves and by proxy the biggest amount of votes, carry out the function of tellers.

The holders of this office then appoint a secretary who cannot be a member of the General Assembly.

3. The General Assemblies deliberations are written in minutes signed by the meeting members and registered in a special register in compliance with legal standards. Copies and Extracts of these minutes can be certified in compliance with legal standards. "



Article 26 - QUORUM - VOTE

"1. The quorum is calculated using all of the shares that make up the capital, except in Special Shareholders' Meetings where it is calculated using all of the shares of the particular share category concerned, all of these are calculated less those shares which hold no voting rights according to the dispositions laid out in the law.

In the case of postal voting, only those votes which are duly completed and received by the Company at least three days before the date of the General Assembly will be taken into account in the calculation of the quorum.

2. The voting rights related to capital share or bonus share is proportional to the percentage of capital represented. Each share gives one voting right.

3. Exceptionally, a voting right, accounting for twice the others that were granted according to their capital quote, can be granted:

- To all the totally paid-in shares which will be proved to have been owned by

the same shareholder for at least three (3) years;

- To the registered shares given to a shareholder, in case of capital increase through reserves incorporation, profit or issue premium, for the old shares he benefits from.

The double voting right expires for any share that was subject to a conversion to the holder or a transfer. However the transfers due to inheritance or family donation to a relative do not lead to a termination of the voting rights nor stop the three years deadline.

The possible merger or separation of the company does not have any effect on double voting rights which can be exercised within the purchasing company if allowed by its Articles of association.

4. Voting takes place by a show of hands, or by a nominal call or by a secret ballot according to the decision of the office of the General Assembly or by the shareholders. Shareholders can also make use of postal voting. "

Article 27 - ORDINARY GENERAL ASSEMBLY

"The Ordinary General Assembly can take all decisions that go beyond the powers of the Board of Directors and which do not include the changing of the Company's articles of incorporation. The Ordinary General Assembly meets at least once a year within six months of the close of the financial year in order to rule on the financial statements of that year unless that period is prolonged by a legal ruling.

The Meeting can only act legally when it is first convened if the number of shareholders present or represented, or having sent postal votes, adds up to a quarter of those shares holding the right to vote. No quorum is required if the Meeting is convened for a second time.

The Assembly can rule with the majority of the votes of the shareholders present, represented or having voted by post. "



Article 28 – EXTRAORDINARY GENERAL ASSEMBLY

« The Extraordinary General Assembly can alter any of the Company's articles of incorporation and decide upon the transformation of the Company in another form of company, civil or commercial. This Meeting cannot, however, increase the commitments of the shareholders, subject to the operations that result from regular stock consolidation.

The Extraordinary General Assembly can only legally make decisions if the number of shareholders present or represented, or having voted by post adds up to, on the first convening of the Meeting, the third, and on the second convening of the Meeting, the quarter of shares which have voting rights. If this

quorum is not reached, the second Meeting can be adjourned to a later date that must take place within the two months following the second convocation.

The Extraordinary General Assembly rules with the majority of the two-thirds of the votes that have the shareholders present, represented or having voted by post, unless there have been legal infringements with those votes.

In the Extraordinary General Assemblies with a constitutive form, i.e. those called to deliberate on the approval of a contribution in kind or on the granting of a particular benefit, the contributor or the recipient is not entitled to vote either for himself or as a proxy.» "

Article 29 – SPECIAL GENERAL ASSEMBLY

"If there are several classes of shares, no modification can be made to the rights of the shares of those classes, without a vote in conformance with an Extraordinary General Assembly that is open to all shareholders and, additionally, without a vote in conformance with a Special General Assembly just for those shareholders of the particular class of shares concerned.

Special General Assemblies can only make valid decisions if the number of shareholders present or represented adds up to at least, on

the first convocation of the Assembly, the half, and on the second convocation of the Assembly, the quarter of the outstanding shares of the concerned share class.

As for the rest, Special General Assemblies are convened and deliberate according to the same conditions as Extraordinary General Assemblies, subject to the particular provisions applicable to the meetings of holders of preferred dividend stock that do not have voting rights. "



21.1.5. CONDITIONS REGULATING CALLS OF AND ADMISSION TO A GENERAL ASSEMBLY

The articles below, related to calls of and admission to the General Assembly meetings are extracted from the company statutes.

Article 22 – CONVENING AND MEETING OF GENERAL ASSEMBLIES

"The general Assemblies are convened by the Executive Board or, failing that, by one or several Auditors. They can be also convened by a representative appointed by the President of the Commercial court ruling in summary procedure, either at the request of one or several shareholders gathering at least 5% of the capital.

The General Assemblies can also be convened by the liquidators, in case of liquidation.

General Assemblies are held at the Company's headquarters or at any other place indicated in the notice. A notice concerning the meeting containing the information required under Article R 225-73 of the Commercial Code is published in the Bulletin of mandatory legal announcements at least thirty five (35) days before the date of the General Assembly.

The convening is made at least fifteen (15) days before the date of the General Assembly by a notice published in the legal announcements newspaper of the department in which the Company has its headquarters and, by a notice published in the Bulletin of mandatory legal announcements and by an ordinary letter sent to every shareholder who hold registered Company shares. (...) If they request it, the shareholders holding registered Company shares can be summoned by registered letter with a form of acknowledgment of receipt.

When a General Assembly can not deliberate because the required quorum is not complete; the second General Assembly or the second adjourned General Assembly if need be, are convened in the same conditions than the former with a similar notice and a similar agenda. "

Article 24 - ACCESS TO ASSEMBLIES - POWERS

"1. Any shareholder is allowed to participate in General Assemblies and in the deliberations either personally or by proxy, regardless the amount of shares (s)he holds, upon proof of identity as soon as her/his shares are fully paid up and registered in her/his name or in the name of its agent registered in his/her name, in compliance with Article L.228-1 of the Commercial Code, alinea 7, at least two days before the date of the Meeting, at the zero hour, Paris time, either in the securities accounts held by the company, or in the securities accounts held by the agent, as

mentioned in Article L.211-3 of the Monetary and Financial Code.

2. Every shareholder is allowed to vote by using a postal vote by means of a form that s/he can obtain according to the conditions laid out in the notices of meeting and convening for the General Assembly.

3. A shareholder can only be represented by his wife/her husband, his partner in a PACS union (registered domestic partnership) or by another shareholder and any other natural or legal person given proxy rights, in compliance with the laws and regulations. "



21.1.6. CONDITIONS THAT CAN DELAY, POSTPONE OR PREVENT A CHANGE OF CONTROL

The company statutes do not include any procedure allowing to delay, postpone or prevent a change of control.

21.1.7. CALCULATION OF THE MINIMUM ATTENDANCE FOR COMPULSORY ANNOUNCED PARTICIPATION

The articles below, related to the attendance threshold above which any participation must be declared are extracted from the company statutes. The summary of crossing of threshold

statements made in the last three years is available in paragraph 18.1.2. *"Statements on crossing of thresholds during the last three years"*.

Article 12 – SALE AND TRANSFER OF SHARES

"1. The shares registered in the account are transmitted through bank transfer.

2. Apart from respecting the applicable legal and regulatory obligations concerning the crossing of thresholds, every corporate body or natural person, acting alone or in concert, who has come to own, directly or indirectly, by the means of one or several corporate bodies, controlled according to the meaning of article L. 233-3 of the French Commercial Law, a number of shares or voting rights representing five percent of the capital or of the voting rights in the Company or any multiple of this same percentage, and this even if this multiple exceeds the legal threshold of five percent, must notify the Company the total number of shares or rights s/he/it owns, by the means of a registered letter with a acknowledgment of receipt sent to the Company headquarters within fifteen days as from the crossing one of these thresholds.

This obligation to inform the Company applies, in conformance with the same aforementioned conditions, every time that the fraction of the capital or held voting rights falls below one of the thresholds mentioned in the preceding paragraph.

If any of these provisions are not respected, the shares exceeding the threshold will be deprived of their voting rights for all General Assemblies which will take place over the following two year period counting from the moment that the notification has been regularized, as long as the request to deprive these rights is made by one or several shareholders holding individually, or in concert, a fraction of capital or voting rights at least equal to the smallest fraction of capital which needs to be declared when held. This request is registered in the minutes of the Shareholders meeting. "



21.1.8. CONDITIONS DEFINING CHANGES IN CAPITAL

The articles below, related to the conditions defining the changes in capital are extracted from the company statutes.

Article 7 – INCREASE OF THE SHARE CAPITAL

"The share capital is increased by any means and according to any terms set by the Law.

The Extraordinary General Assembly, on Executive boards report, is the only competent to decide the increase in capital. Its powers and its competence can be delegated to the Executive Board, according to the conditions fixed by the law.

The shareholders have, proportionally to their amount of shares, a preferential subscription

right to share issued for cash issued in order to make a capital increase. The shareholders can give up individually their preferential rights.

The right to the allocation of new shares to shareholders, following the incorporation of reserves, profits or share premiums to the capital, belongs to the bare owner, subject to the usufructuary rights." "

Article 8 – PAYMENT OF SHARES

"The shares subscribed in cash must be paid-in for at least 25% of their nominal value at the subscription date, and for 100% of the issue premium.

The payment of the surplus must be made in one or more time after decision of the Executive Board within the five years following the capital increase date.

The calls for funds are sent to the share holders by registered letter with advice of delivery sent

at least 15 days before the date set for every payment. The payments must be done at the headquarters or in any other place chosen.

Any delay in the payment of the unpaid shares leads by rights and automatically to the payment of a interest of legal rate, from the maturity date and without prejudice of the actions exercised by the company against the no show shareholder and of the measures taken by law. "

Article 9 - REDUCTION – REDEMPTION OF SHARE CAPITAL

"The reduction of capital is authorized or decided by the Extraordinary General Assembly which can delegate to the Executive board any powers to carry it out. On no account, the Meeting can undermine the equality of the shareholders.

The reduction of the share capital to an amount lower than the legal minimum can be decided only under the condition precedent of a capital increase, intended to bring this one to an amount at the least equal to this minimum

amount, except transformation of the Company in a company of another form.

In these capacities are not respected, any interested person can make a legal claim to ask for the dissolution of the Company.

However, the court cannot pronounce the dissolution, if when it pronounces judgment on the merits, the regularization took place. The capital can be depreciated according to the capacities of the law. "



Article 33 – ALLOCATION AND DISTRIBUTION OF EARNINGS

"Out of the year earnings, less the previous losses, are first deducted the amounts put into the reserve, pursuant to law. 5% of the profit is kept for the legal reserve. This deduction is not compulsory anymore when the reserve amounts to 10% of the share capital, and becomes compulsory again if the reserve amount decreases to reach less than 10%.

The net earnings consist in the year earnings less the previous losses and the amounts allocated to the reserve pursuant to the law and the company statutes, and more the beneficiary report.

Out of these earnings, the General Assembly deduces the amounts allocated to other reserve funds, ordinary or extraordinary.

The balance is divided between all the shares proportionally to their paid-in and non depreciated amount.

However, except in case of capital decrease, no distribution is made when the own equity is or becomes lower than the amount of capital and reserves that the law and statutes prevent from distributing.

The General Assembly can decide to distribute the amounts deducted of the reserves, either to complete a dividend or as an extraordinary distribution. The dividends are distributed by priority on the year net earnings.

The losses, if there are, are recorded in a special account in order to be allocated to the previous years earnings before extinction. "

Article 35 - OWN EQUITY ACCOUNTING FOR LESS THAN HALF OF SHARE CAPITAL

"If, following the recording of losses within the accounting reports, the company own equity decreases to reach less than half of the share capital, the Executive Board has to call a General Assembly within four month after the publication of the accounts recording the loss, in order to decide if the company must be early dissolved.

If the dissolution is not made, the capital must be, in compliance with the legal procedures and before the deadline set by the law, reduced by an amount corresponding to the losses which could not be allocated to the reserves, if in the meantime, the own equity has not been rebuilt to reach at least half of the share capital.

In any case, the General Assembly decision must be subject to advertising procedures as required by the applicable regulations.

In these capacities are not respected, any interested person can make a legal claim to ask for the dissolution of the Company. This is also applicable whenever the shareholders could not legally discuss the decision.

However the Court can not decide to dissolve the company if the regularization has been made before the judgment date. "



Chapitre 22. MAJOR ACCOUNTS

The group strategy and its new positioning aim at increasing the size of projects and the added value by favoring the Council and Integration services which offer a quick return on investment to the customers.

The group can now answer to big-scale tender offers which helped to increase the average amount invoiced for a contract.

In 2017, SQLI didn't conclude any major contract outside of the contracts concluded for usual business.



Chapitre 23. INFORMATION COMING FROM OUTSIDERS, EXPERT STATEMENTS OR INTEREST STATEMENTS

The group management did not record any information coming from outsiders, experts statements, or declarations of interest that should be mentioned in the present reference document.



Chapitre 24. DOCUMENTS OPEN TO PUBLIC INSPECTION

During the period of validity of the present report, the documents listed below can be consulted in SQLI headquarters:

- The constitutive act and statutes of SQLI ;
- All the reports, mailing and other documents, historical financial information, evaluations and statements made by experts on request of SQLI, part of which is included or quoted in the present reference document ;
- The historical financial information of SQLI and its subsidiaries for the two years ending with the publication of the present document.

The quotation of SQLI securities is published in many general, economic and financial

newspapers, in which the company publishes its press releases when needed.

The information related to the company is distributed by ActusNewsWire network via Euronext.

SQLI created an "Investors" section on its website: sqli.com, where regulated information is also available.

Along with all these regular information canals, the company tries to communicate any major new deal or evolution of its activity and policy.

Person in charge of financial information:

Nicolas Rebours - Delegated Executive Officer of SQLI - 166, rue Jules Guesde - 92300 Levallois-Perret

Tel : 01 85 64 20 20

FINANCIAL AGENDA

Table 49. Financial agenda for 2018

Date	Information
8 February 2018	Annual turnover 2017
29 March 2017	Annual results 2017
17 May 2017	Turnover Q1 2018
26 July 2018	Turnover H1 2018
27 September 2018	Results of H1 2018
8 November 2018	Turnover Q3 2018

All the publications will be shares after Euronext Paris closing time.



Chapitre 25. INFORMATION ON PARTICIPATIONS

The consolidated scope is detailed in Chapter 7
"Organization chart" of the present document.

At 31 December 2017, the company does not
hold any minor or major participation other
than those exposed above on Chapter 7.
"Organization chart".



REPORT PREPARED BY AN INDEPENDENT THIRD-PARTY ON CONSOLIDATED SOCIAL, CORPORATE AND ENVIRONMENT-RELATED INFORMATION INCLUDED IN THE MANAGEMENT REPORT.

SQLI Financial year ending 31 December 2017

Report prepared by an independent third-party on consolidated social, corporate and environment-related information included in the management report.

Dear shareholders,

As an independent third-party firm accredited by COFRAC¹ under n° 3-1050 and member of one of SQLI statutory auditors' network, we present our report on consolidated social, corporate and environment-related information regarding the financial year ended 31 December 2017, such as included in the management report, hereafter the "SER information", pursuant to Article L. 225-102-1 of the Commercial Code.

Corporate responsibility

The Executive Board must elaborate a management report including CSR information requested by Article R. 225-105-1 of the Commercial Code, and based on referentials used by the Company (hereafter the "Referentials") which are described in the management report.

Independence and Quality Control

The Independence of Board members is defined by the legislation, the French Code of Ethics and the provisions of Article 822-11-3 of the Commercial Code. We also implemented a quality control including documented policies and processes allowing to monitor that ethics rules, professional standards, regulations and laws are complied with.

Liability of the independent third-party

We must, as part of our mission:

- guarantee that requested CSR information is included in the management report, or replaced by a consistent explanation compliant with Article R, alinea 3 of Article R. 225-105 of the Commercial Code (Certification regarding CSR information);
- provide a conclusion expressing a moderate assurance on the fact that CSR information, as a whole, are presented with all their significant content and in a fair manner, in compliance with the Referentials (Opinion on CSR information accuracy).

We are not requested, however, to judge the compliance with the other applicable rules, such as those expressed in the "Loi Sapin II" (law n° 2016-1691 of 9 December 2016) related to anti-corruption measures.

Our mission was accomplished by four persons between January 2018 and April 2018, for a total duration of five weeks.

We carried out our mission in compliance with the professional standards applied in France, with the decision of 13 May 2013 establishing the work approach of independent third-party auditors and to ISAE 30002 regarding the Opinion on the information accuracy.²

¹ Scope of accreditation available on www.cofrac.fr

² ISAE 3000 – Assurance engagements other than audits or reviews of historical information



1. Certification regarding CSR information

Scope of the mission

Following discussions with the managers of the concerned departments, we became familiar with the sustainable development objectives of the company, related to the social and environmental impact of the company activity and social obligations, along with actions or programs implemented in that field.

we compared CSR information included in the management report with the list provided by Article R. 225-105-1 of the Commercial Code.

Where consolidated information was missing, we checked that sufficient explanation was provided, in compliance with Article R. 225-105, alinea 3 of the Commercial Code.

We controlled that provided CSR information matched the consolidated scope, including the company and its subsidiaries, under Article L. 233-1 of the Commercial Code, and the other controlled entities, under Article L. 233-3 of the Commercial Code, with the limits specified in the methodology note included in Chapter II of the present report.

Conclusion

Following our work and considering the abovementioned limits, we confirm that requested CSR information is included in the management report.

2. Opinion on the accuracy of CSR information

Nature and scope of the mission

We interviewed the people in charge of elaborating CSR information within the departments working on data collection and the managers of internal control and risk management processes, in order to:

- assess the suitability of the Referentials, regarding their relevance, completeness, reliability, objectivity and understandability, by comparing it, as needed, with the good practices of the sector;
- assess the implementation of a collection, compilation, analysis and control process in order to guarantee completeness and consistency of CSR information; observe internal control and risk management processes related to CSR information.

We defined the nature and scope of our tests and controls according to the nature and importance level of CSR information compared with the company characteristics, its social and environmental goals, its sustainability approach and good sectorial practices.



Regarding key CSR information ¹:

- For the consolidating entity, we read the documentary sources and run interviews to check the consistency of qualitative data (organisation, policies, actions, etc.). We analysed quantitative data and used polls to check the calculation and consolidation of data, checked their relevance and consistency with the other information included in the management report;
- We took a representative sample of entities selected² according to their activity, contribution to consolidated indicators, location and risk analysis, and run interviews to assess the application of processes; we operated specific tests on samples in order to control calculations and reconcile the data of supporting documentation. The chosen sample represents about 53% of the staff.

We assessed the consistency of other consolidated CSR information based on our knowledge of the company.

Finally, we controlled the relevance of explanations related to missing or uncompleted information.

We consider that the sample dimension and the process we applied in a professional manner allow us to give a conclusion expressing a moderate assurance; achieving a higher assurance level would have required deeper and more extended controls. Because of the use of samples and considering the other limits of any information and internal control system, the risk of not detecting a significant misstatement in the CSR information can not be totally excluded.

Conclusion

Following our controls, we did not find any significant misstatement likely to compromise the accuracy of CSR information, as a whole, such as presented and based on the Referentials model.

Paris-La Défense, 16 April 2018

independent third-party auditor

Ernst & Young and others

Eric Mugnier
Sustainable development partner

Bruno Perrin
Partner

¹ Social information : Staff (total staff and distribution, recruitments and dismissals, remuneration and evolution), absenteeism and work accidents (occurrence and severity).

Environment and corporate Information: energy consumption and GHG emissions, partnership or sponsoring actions.

² SQLI ESU and SQLI Suisse.



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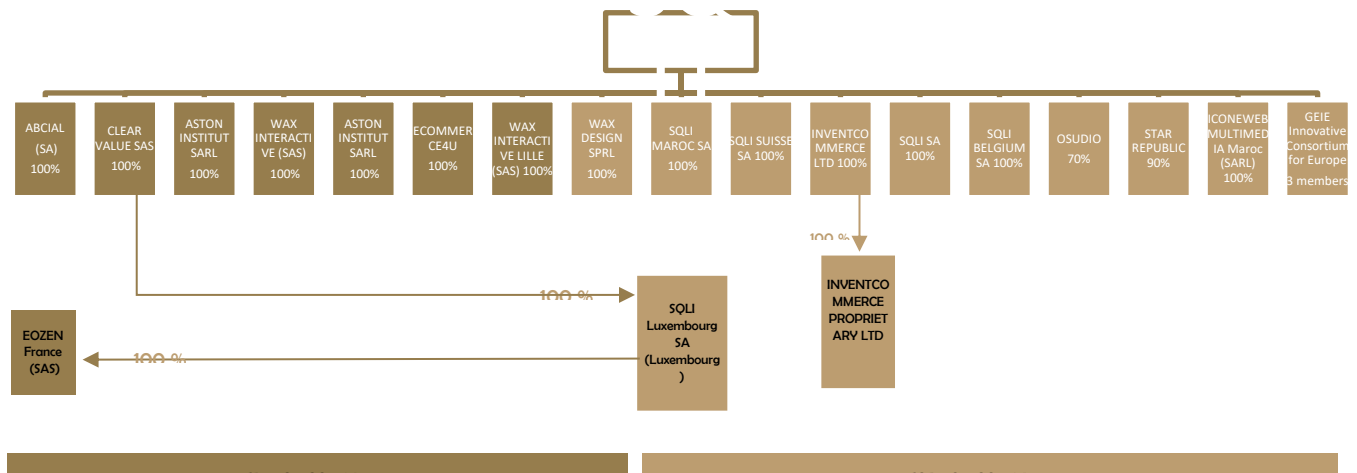
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I. PRESENTATION OF SQLI GROUP

1.1. COMPANY HISTORY

SQLI and its subsidiaries constitute a service company which operates in the sector of advices and integration of e-business architectures.



SQLI is one of the few companies relying on such an extended network in France (Paris, Lyon, Bordeaux, Nantes, Rouen, Toulouse, Lille, etc.) but also in Europe (UK, Switzerland, Belgium, Luxembourg, the Netherlands, Sweden, Germany, Denmark and Spain), in Morocco and in South Africa.

SQLI, created to accompany businesses in their use of new technologies, has specialized in realizing new-generation information systems.

Starting at the time of its creation in 1990, SQLI based its development on advanced technological expertise and on its intense policy of monitoring developments and R&D.

The company recruits high-level engineers and experts in complex assignments, and invests large amounts in training.

The Group has today about 2,400 employees in France and abroad.

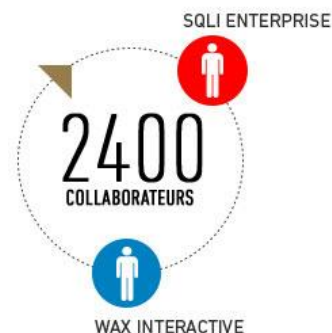
Strengthened by its expertise, SQLI has been able to anticipate all major computer trends and to determine their potential for the company's information system and performance.



Being positioned on the most buoyant segments of the computer services market, SQLI keeps strengthening its leading position in e-business, SAP and Business projects and solutions, with a constantly increasing amount of major accounts and a high added value offer focused on Digital expertise.

According to this plan, SQLI aims to organize its offer in two distinct brands:

- > WAX INTERACTIVE, focused on developing its customers sale business in three major fields: digital marketing, connected commerce and data intelligence, in order to improve the company performance on the market;
- > SQLI ENTREPRISE, dealing with the transformation of organizations and systems in order to create new interactions between the company and its partners, suppliers and coworkers, with the objective to improve the performance of the company itself.



Two other brands are also active within the Group:

- > SQLI CONSULTING
- > SQLI INSTITUT

Along with the e-commerce business, SQLI also operates in the professional training sector.



"SQLI institut", its professional training department, includes:

- 6 structures of continuous training;
- more than 400 training courses;
- 13 training centers in France and abroad;
- certified instructors and centers (Microsoft, Adobe, Business Object);
- more than 150 specialized consultant-trainers providing consulting missions and training organization in order to offer customized trainings meeting the needs of employees.

1.2. ORGANISATION

Based in France ((Paris, Rouen, Nantes, Bordeaux, Toulouse, Lyon, Lille), SQLI Group is also present in the UK, Switzerland, Belgium, Luxembourg, the Netherlands, Sweden, Germany, Denmark and Spain, Morocco and South Africa. SQLI group is the only specialized company to have such a big agencies network.

Being positioned on the most buoyant segments of the computer services market, SQLI keeps strengthening its leading position in e-business, SAP and Business projects and solutions, with a constantly increasing amount of major accounts and an always more diversified business offer.

1.3. SQLI GOVERNANCE

SQLI governance is organised as follows:

✕ HEAD MANAGEMENT

The head management include:

- a Chief Executive Officer: Didier Fauque
- two Delegated Executive Officers: Nicolas Rebours and Thierry Chemla.

✕ EXECUTIVE BOARD

SQLI Executive Board has 5 members:

- Monsieur Roland Fitoussi, Chairman of the Executive Board;
- Monsieur Didier Fauque, member of the Executive Board.
- Madame Véronique Reille-Soult de Dalmatie, member of the Executive Board;
- Monsieur Hervé de Beublain, member of the Executive Board;

The Executive Board met 14 times in 2017 with an attendance rate of 87.5%.





Didier FAUQUE has been appointed CEO on 7 May 2013.

SQLI VALUES

Respect : Respect for individual and human values is based in ethics, understanding and acknowledgement of the values of the other person excluding any prejudice. This is the foundation of any good team relationship.

Commitment: keep his word or make any effort to achieve this goal, this value is the key factor of success and accomplishment. Commitment also means taking and fulfilling its responsibilities, both in terms of result and

quality, for all its projects.

Team spirit : The whole is greater than the sum of the parts. Give priority to the Group, put the group interests before its owns, be supportive in case of success or failure, these are the key factors of the building and development of a group as diverse as ours.

Entrepreneurship: Creation of value, innovation, attention to the client are the foundations of entrepreneurship. They allow to adapt the group value offer to the market needs and guarantee a good adaptation and development to answer the ongoing and constant changes.

✕ AUDIT COMMITTEE:

In compliance with Article L.823-19 of the French Commercial Code, the Executive Board created on 1st September 2009 an Audit committee in charge of following the questions related to the drafting and monitoring of accounting and financial data. The Committee is particularly in charge of following :

- the Financial information elaboration process;
- the efficiency of internal control and risk management systems;
- the legal control of annual and consolidated accounts by statutory auditors;
- the independence of statutory auditors.

The Audit committee is in charge of following the questions related to the drafting and monitoring of accounting and financial data.

The Committee is particularly in charge of following :

- the Financial information elaboration process;
- the efficiency of internal control and risk management systems;
- the legal control of annual and consolidated accounts by statutory auditors;
- The independence of statutory auditors.



The Audit Committee has two members:

- > Monsieur Roland Fitoussi,
- > Monsieur Hervé de Beublain

The Audit Committee met twice in 2017 with an attendance rate of 100 %.

✕ STRATEGY COMMITTEE:

On 8 February 2012, the Executive Board decided to create a Strategy Committee with three members (two ordinary members and one executive manager).

The Strategy Committee mission is to study the Company strategy planned by the CEO and/or DEOs, in particular regarding investments and current activities.

The Strategy Committee met 8 times in 2017 with an attendance rate of 100%.

✕ COMPENSATION COMMITTEE

The remuneration of the Executive managers, and especially annual determination of their proportional compensation along with the attribution of free shares, is decided by the Executive Board according to their work, results, and responsibility with the objective of keeping and rewarding the good managers.

On 8 November 2011, the Executive Board decided to create a Compensation Committee, in charge of expressing recommendations regarding the compensations granted to executive officers and head managers.

M. Bernard Jacon and M. Hervé de Beublain, independent Board members, have been appointed as members of this Committee. The Audit Committee met once in 2017 with an attendance rate of 100%.

The Committees are strictly consultative. They are under exclusive and collective responsibility of the Executive Board members. They report to the Executive Board which can decide of what to do according to the Committee advices.

1.4. STAFF CONSULTATIVE BODIES

1.4.1. Employee representative organizations

✕ Within SQLI ESU:

SQLI, EOZEN France, WAX INTERACTIVE, WAX INTERACTIVE LILLE and ECOMMERCE4U created a common economic and social unit (SQLI ESU).

The last elections of employee representatives took place in November 2015. SQLI ESU includes:

- > **20 staff representatives with:**
 - . 9 appointed members and 9 alternate members within the group "Engineers and executives"
 - . 1 appointed member and 1 alternate member within the group "Workers and employees"



- > 16 members of the **Corporate Committee** including 8 appointed members and 8 alternate members.

A **Health, Safety and Working Conditions Committee** has also been created within SQLI ESU. This Committee has six members.

1.4.2. Representative trade union within SQLI ESU

A Representative trade union is present within SQLI ESU. This trade union is CFE-CGC.

In the 1st round of the last elections, this trade union had 92.81% of the votes.



II. SOCIAL RESPONSIBILITY

Information presented in the following section covers:

- SQLI French entities within Economic and Social Unit (ESU) including the following companies: SQLI, Eozen France, WAX INTERACTIVE, WAX INTERACTIVE LILLE, ECOMMERCE4U.
- ASTON INSTITUT, a French subsidiary of SQLI,

the following foreign subsidiaries: SQLI MAROC, SQLI SUISSE, SQLI BELGIUM, WAX BELGIQUE, SQLI LUXEMBOURG SA, SQLI SA (Luxembourg), INVENTCOMMERCE LTD, INVENTCOMMERCE PROPRIETARY LTD. The Dutch subsidiary (SQLI Nederland) doesn't have any employee.

EMPLOYMENT

2.1.1 Staff composition

At 31 December 2017, SQLI Group has 2,051 employees with 1,332 employees within SQLI ESU .

DISTRIBUTION OF EMPLOYEES BY GENDER

Within SQLI ESU:

✕ SQLI

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	301	22.6 %	908	68.2 %	86.2 %	92.4 %
Employees	46	3.5 %	73	5.5 %	13.2 %	7.4 %
Trainees	2	0.15 %	2	0.15 %	0.6 %	0.2 %
Total	349	26.2 %	983	73.8 %	100 %	100 %

At 31 December 2017, women represented 26.2% of SQLI staff (against 73.8% for men)



✕ WAX INTERACTIVE and WAX INTERACTIVE LILLE :

With the management lease transfer of their goodwill to SQLI on 1st January 2017, WAX INTERACTIVE and WAX INTERACTIVE LILLE don't have any employee after this date.

✕ ECOMMERCE4U and EOZEN FRANCE :

ECOMMERCE4U and EOZEN FRANCE don't have any employee at 31 December 2017.

✕ Total for SQLI ESU:

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	301	22.6 %	908	68.2 %	86.2 %	92.4 %
Employees	46	3.5 %	73	5.5 %	13.2 %	7.4 %
Trainees	2	0.15 %	2	0.15 %	0.6 %	0.2 %
Total	349	26.2 %	983	73.8 %	100 %	100 %

At 31 December 2017, women represented 26.2% of SQLI ESU staff (against 73.8% for men).



ASTON INSTITUT:**✕ ASTON INSTITUT**

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	6	31.6 %	3	15.8 %	37.5 %	100 %
Employees	10	52.6 %	0	0 %	62.5 %	0 %
Trainees	0	0 %	0	0 %	0 %	0 %
Total	16	84.2 %	3	15.8 %	100 %	100 %

At 31 December 2017, women represented 84.2% of ASTON INSTITUT staff (against 15.8% for men).

SQLI FOREIGN SUBSIDIARIES:**✕ SQLI SUISSE**

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	5	3.6 %	14	10 %	38.5 %	11 %
Employees	7	5.1 %	112	80.6 %	53.8 %	89 %
Trainees	1	0.7 %	0	0 %	7.7 %	0 %
Total	13	9.4 %	126	90.6 %	100 %	100 %

At 31 December 2017, women represented 9.4% of SQLI SUISSE staff (against 90.6 % for men).



✕ SQLI MAROC

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	156	33.6 %	308	66.2 %	100 %	99.7 %
Employees	0	0 %	1	0.2 %	0 %	0.3 %
Trainees	0	0 %	0	0 %	0 %	0 %
Total	156	33.6 %	309	66.4 %	100 %	100 %

At 31 December 2017, women represented 33.6% of SQLI MAROC staff (against 66.4% for men).

✕ SQLI BELGIUM

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	1	2.5 %	3	7.5 %	7.7 %	11.1 %
Employees	12	30 %	24	60 %	92.3	88.9 %
Trainees	0	0 %	0	0 %	0 %	0 %
Total	13	32.5 %	27	67.5 %	100 %	100 %

At 31 December 2017, women represented 32.5% of SQLI BELGIUM staff (against 67.5% for men).



✕ WAX (BELGIUM)

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	2	8 %	3	12 %	28.6 %	18.75 %
Employees	7	28 %	13	52 %	71.4 %	81.25 %
Trainees	0	0 %	0	0 %	0 %	0 %
Total	9	36 %	16	64 %	100 %	100 %

At 31 December 2017, women represented 36% of WAX staff (against 64% for men).

✕ SQLI SA (Luxembourg)

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	0	0 %	2	33.3 %	0 %	40 %
Employees	1	16.7 %	3	50 %	100 %	60 %
Trainees	0	0 %	0	0 %	0 %	0 %
Total	1	16.7 %	5	83.3 %	100 %	100 %

At 31 December 2017, women represented 16.7 % of SQLI SA staff (against 83.3 % for men).



✗ SQLI Luxembourg SA

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	0	/	0	/	/	/
Employees	0	/	0	/	/	/
Trainees	0	/	0	/	/	/
Total	0	/	0	/	/	/

At 31 December 2017, SQLI Luxembourg SA doesn't have any employee.

✗ INVENTCOMMERCE LTD

CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	0	0 %	0	0 %	0 %	0 %
Employees	2	50 %	2	50 %	100 %	100 %
Trainees	0	0 %	0	0 %	0 %	0 %
Total	2	50 %	2	50 %	100 %	100 %

At 31 December 2017, women represented 50% of INVENTCOMMERCE LTD staff (against 50% for men).



CATEGORIES	WOMEN		MEN		WOMEN	MEN
	Number	%	Number	%	% per category compared to total number of women	% per category compared to total number of men
Executives	0	0 %	0	0 %	0 %	0 %
Employees	9	42.86 %	12	57.14 %	100 %	100 %
Trainees	0	0 %	0	0 %	0 %	0 %
Total	9	42.86 %	12	57.14 %	100 %	100 %

At 31 December 2017, women represented 42.86% of INVENTCOMMERCE PROPRIETARY LTD staff (against 57.14% for men).

The prevalence of male employees with SQLI Group is mainly due to:

- the technical aspect of the main jobs and functions of the company;
- the bigger proportion of men coming from educational schemes dedicated to engineering and IT.

SQLI committed to promote professional equality between men and women and as such to increase the proportion of women in its workforce. SQLI ESU set the objective of having 25% of women within executive functions at 31 Decembre 2017.

With the agreement on equal opportunity between men and women signed on 30 December 2011 with the ESU trade unions, SQLI strengthened its politics in favour of professional equality and committed to take various measures to increase the proportion of women in its workforce. An action plan related to professional equality between men and women has been approved by the Staff Committee and signed on 11 March 2016. This new agreement allows to perpetuate the actions already implemented with the last agreement and to benefit from this experience in order to reinforce the measures related to professional equality.



DISTRIBUTION OF EMPLOYEES BY AGE

Within SQLI ESU:

✗ SQLI

AGE:	Less than 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEES	76	285	307	273	188	106	63	27	5	2
%	5.7 %	21.4 %	23 %	20.5 %	14.1 %	8 %	4.7 %	2 %	0.4 %	0.2 %

70.6% of SQLI employees are between 25 and 40 y.o., and 29.4% are older than 40.

✗ WAX INTERACTIVE and WAX INTERACTIVE LILLE

With the management lease transfer of their goodwill to SQLI on 1st January 2017, WAX INTERACTIVE and WAX INTERACTIVE LILLE don't have any employee after this date.

✗ ECOMMERCE4U and EOZEN FRANCE :

ECOMMERCE4U and EOZEN FRANCE don't have any employee at 31 December 2017.



Total for SQLI ESU:

At 31 December 2017, SQLI ESU employee distribution by age is as follows:

AGE:	Less than 25 y.o.	Between n 25 and 30 y.o.	Between n 30 and 35 y.o.	Between n 35 and 40 y.o.	Between n 40 and 45 y.o.	Between n 45 and 50 y.o.	Between n 50 and 55 y.o.	Between n 55 and 60 y.o.	Between n 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEES	76	285	307	273	188	106	63	27	5	2
%	5.7 %	21.4 %	23 %	20.5 %	14.1 %	8 %	4.7 %	2 %	0.4 %	0.2 %

70.6% of SQLI ESU employees are between 25 and 40 y.o., and 29.4% are older than 40.

With the generation protection action plan, SQLI ESU committed to implement a concrete policy dedicated to senior employees.

SQLI ESU controls the application of the measures implemented within this action plan, which are:

- retaining employees being more than 55 y.o. and more,
- anticipating the evolution of professional careers,
- anticipating the employees retirements and offering them a transition between employment and retirement,
- guaranteeing the transmissions of knowledge and skills between generations.



ASTON INSTITUT:

AGE:	Les s tha n 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEE S	0	8	3	2	3	2	0	1	0	0
%	0 %	42.1 %	15.8 %	10.5 %	15.8 %	10.5 %	0 %	5.3 %	0 %	0 %

At 31 December 2017, 68.4 % of Aston Institut employees are between 25 and 40 y.o., and 31.6 % are older than 40.

SQLI FOREIGN SUBSIDIARIES:

✗ SQLI SUISSE:

AGE:	Les s tha n 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEE S	0	23	38	30	20	19	5	2	2	0
%	0 %	16.5 %	27.4 %	21.6 %	14.4 %	13.7 %	3.6 %	1.4 %	1.4 %	0 %

At 31 December 2017, 65.5% of SQLI SUISSE employees are less than 40 y.o., and 34.5 % are older than 40.



✕ SQLI MAROC

AGE:	Less than 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEES	110	189	110	35	15	3	2	1	0	0
%	23.6 %	40.6 %	23.7 %	7.5 %	3.2 %	0.6 %	0.6 %	0.2 %	0 %	0 %

At 31 December 2017, 23.6% of Aston Institut employees are less than 25 y.o., 71.8% are between 25 and 40 y.o., and 4.6% are older than 40.

✕ SQLI BELGIUM

AGE:	Less than 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEES	1	11	8	6	7	2	2	2	1	0
%	2.5 %	27.5 %	20 %	15 %	17.5 %	5 %	5 %	5 %	2.5 %	/

At 31 December 2017, 2.5% of SQLI BELGIUM employees are less than 25 y.o., 62.5% are between 25 and 40 y.o., and 35% are older than 40.



✕ WAX (BELGIUM)

AGE:	Less than 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEES	7	8	5	2	2	0	1	0	0	0
%	28 %	32 %	20 %	8 %	8 %	0 %	4 %	0 %	0 %	0 %

At 31 December 2017, 28% of WAX (BELGIUM) employees are less than 25 y.o., 60% are between 25 and 40 y.o., and 12% are older than 40.

✕ SQLI SA (LUXEMBOURG)

AGE:	Less than 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEES	0	0	0	2	4	0	0	0	0	0
%	/	/	0 %	33.3 %	66.7 %	/	/	/	/	/

At 31 December 2017, 33.3% of SQLI SA employees are between 35 and 40 y.o., and 66.7% are older than 40.



✕ SQLI SA (LUXEMBOURG)

AGE:	Les s tha n 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEE S	/	/	/	/	/	/	/	/	/	/
%	/	/	/	/	/	/	/	/	/	/

✕ INVENTCOMMERCE LTD

AGE:	Les s tha n 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEE S	0	1	1	2	0	0	0	0	0	0
%	0 %	25 %	25 %	50 %	0 %	0 %	0 %	0 %	0 %	0 %

At 31 December 2017, 50% of INVENTCOMMERCE LTD employees are between 25 and 35 y.o., and 50% are between 35 and 40 y.o.



✕ INVENTCOMMERCE PROPRIETARY LTD

AGE:	Less than 25 y.o.	Between 25 and 30 y.o.	Between 30 and 35 y.o.	Between 35 and 40 y.o.	Between 40 and 45 y.o.	Between 45 and 50 y.o.	Between 50 and 55 y.o.	Between 55 and 60 y.o.	Between 60 and 65 y.o.	More than 65 y.o.
NUMBER OF EMPLOYEES	2	9	4	5	0	0	1	0	0	0
%	9.52 %	42.86 %	19.05 %	23.81 %	0 %	0 %	4.76 %	0 %	0 %	0 %

At 31 December 2017, 9.52% of INVENTCOMMERCE PROPRIETARY LTD employees are less than 25 y.o., 85.7% are between 25 and 40 y.o., and 4.76% are older than 40.

DISTRIBUTION OF EMPLOYEES BY GEOGRAPHICAL AREA

✕ Within SQLI ESU:

SQLI ESU	Staff at 31/12/2017				
	SQLI facilities	WAX Interactive facility (1)	WAX Interactive Lille (1) facility	Ecommerce4U facility	EoZen France facility (2)
LYON	225	0	0	0	0
NANTES	124	0	0	0	0
SAINT-DENIS	468	0	0	0	0
PARIS	71	0	0	0	0
ARCUEIL	0	0	0	0	0
BORDEAUX	45	0	0	0	0
ISC BORDEAUX	138	0	0	0	0
TOULOUSE	227	0	0	0	0
ROUEN	26	0	0	0	0
ROUBAIX	8	0	0	0	0
LILLE	0	0	0	0	0



(1) With the management lease transfer of their goodwill to SQLI on 1st January 2017, WAX INTERACTIVE and WAX INTERACTIVE LILLE have seen all their employees work contracts transferred to SQLI from that date.

(2) With the management lease transfer of their goodwill to SQLI on 1st October 2014, EOZEN has seen all its employees work contracts transferred to SQLI from that date.

✗ ASTON INSTITUT:

Staff at 31/12/2017	
ASTON INSTITUT FACILITY	
BOULOGNE	3
LILLE	3
ARCUEIL	13
LYON	0

✗ SQLI FOREIGN SUBSIDIARIES:

FOREIGN SUBSIDIARIES	Staff at 31/12/2017	
	FACILITIES	STAFF
SQLI SUISSE	Lausanne	87
	Geneva	49
	Zurich	3
SQLI MAROC	Rabat Local	27
	Rabat ISC	292
	Oujda ISC	138
	Casablanca	8
SQLI BELGIUM	Diegem	40
WAX (BELGIUM)	Gand	25
SQLI SA (LUXEMBOURG)	Strassen	6
SQLI LUXEMBOURG SA	Strassen	0
INVENTCOMMERCE LTD	London	4
INVENTCOMMERCE PROPRIETARY LTD	Cape Town	21



2.1.2 Recruitment momentum

In 2017, SQLI had a very high recruitment rate, with more than 625 new employees.

Within SQLI ESU:

To compensate the 24% turnover rate and accelerate organic growth, SQLI ESU hired 384 new employees in 2017 (including 353 permanent contracts and 31 temporary contracts).

This result shows the good attraction power of SQLI ESU.

SQLI ESU 2017	Number of recruitments					
	Permanent contract (CDI)		Temporary contract (CDD)		TOTAL	
	M	W	M	W	M	W
SQLI	252	101	18	13	270	114
WAX INTERACTIVE	0	0	0	0	0	0
WAX INTERACTIVE LILLE	0	0	0	0	0	0
ECOMMERCE4U	0	0	0	0	0	0
EOZEN France	0	0	0	0	0	0
TOTAL	252	101	18	13	270	114



Regarding the other subsidiaries:

2017	Number of recruitments					
	Permanent contracts (CDI)		Temporary contracts (CDD)		TOTAL	
	M	W	M	W	M	W
ASTON INSTITUT	0	7	0	1	0	8
SQLI SUISSE	44	6	0	0	44	6
SQLI MAROC	96	29	9	20	105	49
SQLI BELGIUM	6	0	0	4	6	4
WAX (Belgium)	2	4	1	0	3	4
EOZEN SA (Luxembourg)	1	0	0	0	1	0
SQLI Luxembourg SA	0	0	0	0	0	0
INVENTCOMMERCE LTD	0	0	0	0	0	0
INVENTCOMMERCE PROPRIETARY LTD	9	3	0	0	9	3

The reasons for departures of SQLI employees are presented hereafter:

Within SQLI ESU:

2017	Dismissals	Resignations	End of temporary contract	End of trial period	Conventional termination	Other
SQLI	16	296	39	71	49	4
EOZEN France	0	0	0	0	0	0
WAX INTERACTIVE	0	0	0	0	0	0
WAX INTERACTIVE LILLE	0	0	0	0	0	0
ECOMMERCE4U	0	0	0	0	0	0
TOTAL	16	296	39	71	49	4



Regarding the other subsidiaries:

2017	Dismissals	Resignations	End of temporary contract	End of trial period	Conventional termination	Other
ASTON INSTITUT	0	2	1	2	0	1
SQLI SUISSE	10	16	0	0	0	0
SQLI MAROC	0	69	16	0	0	10
SQLI BELGIUM	0	14	4	0	0	0
WAX (Belgium)	2	2	1	2	0	0
EOZEN SA (Luxembourg)	1	1	0	0	0	0
SQLI Luxembourg SA	0	0	0	0	0	0
INVENTCOMMERCE LTD	0	1	0	0	0	0
INVENTCOMMERCE PROPRIETARY LTD	2	8	0	0	0	0

SQLI Group registered 640 departures, including 31 dismissals, and 475 departures including 16 dismissals for SQLI ESU.



2017 staff turnover rate:

	Staff Turnover rate
ASTON INSTITUT	11 %
SQLI SUISSE	19.79 %
SQLI MAROC	27 %
SQLI BELGIUM	29.78 %
WAX (BELGIUM)	26 %
SQLI SA (LUXEMBOURG)	25 %
SQLI LUXEMBOURG SA	0 %
INVENTCOMMERCE LTD	0 %
INVENTCOMMERCE PROPRIETARY LTD	47.62 %

SQLI priority is to hire employees under permanent contracts. The staff distribution of SQLI Group companies at 31 December 2017 is as follows:

Within SQLI ESU:

✗ SQLI

SQLI	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	336	13
MEN	945	38
TOTAL	1281	51

At 31 December 2017, 96.2% of SQLI employees have a CDI (against 3.8% with a CDD).

✗ WAX INTERACTIVE, WAX INTERACTIVE LILLE, ECOMMERCE4U AND EOZEN FRANCE

WAX INTERACTIVE, WAX INTERACTIVE LILLE, ECOMMERCE4U and EOZEN FRANCE don't have any employee at 31 December 2017.



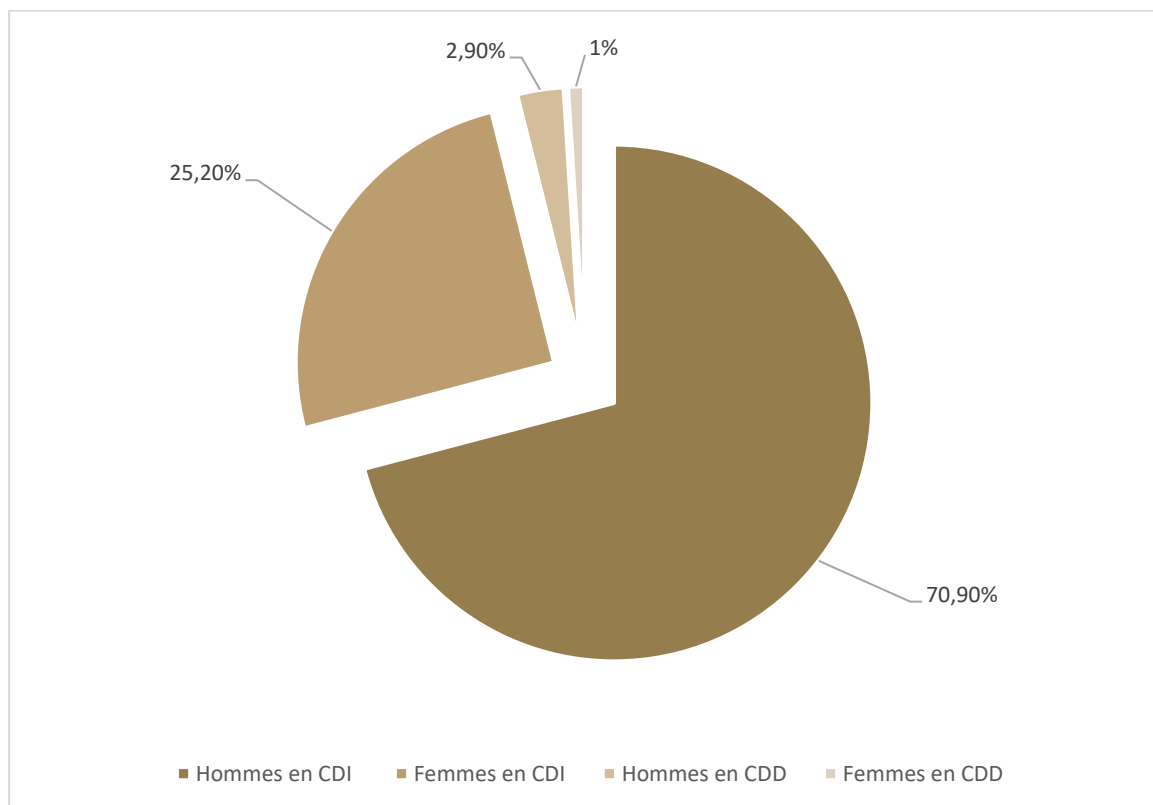
✕ Total for SQLI ESU:

SQLI	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	336	13
MEN	945	38
TOTAL	1281	51

At 31 December 2017, 96.2% of SQLI Group employees have a CDI (against 3.8% with a CDD).

In 2007, Ethifinance, an independent extra-financial assessment firm specialised in corporate social responsibility, mentioned in its report: *"SQLI implemented various measures to attract, stimulate and retain its employees, in sectors such as work conditions, compensation policy, capital participation and skill development."*

✕ SQLI ESU STAFF AT 31 DECEMBER 2017



ASTON INSTITUT:

ASTON INSTITUT	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	16	0
MEN	3	0
TOTAL	19	0

At 31 December 2017, 100% of ASTON INSTITUT employees have a CDI (permanent contract).

SQLI FOREIGN SUBSIDIARIES:

✕ SQLI SUISSE

SQLI SUISSE	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	12	0
MEN	103	0
TOTAL	115	0

At 31 December 2017, 100% of SQLI Suisse employees have a CDI (permanent contract).

✕ SQLI MAROC

SQLI MAROC	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	134	22
MEN	299	10
TOTAL	433	32

At 31 December 2017, 93.1% of SQLI MAROC employees have a CDI (permanent contract).

✕ SQLI BELGIUM

SQLI BELGIUM	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	12	1
MEN	27	0
TOTAL	39	1



At 31 December 2017, 97.5% of SQLI BELGIUM employees have a CDI (permanent contract).

✕ WAX (BELGIUM)

WAX (BELGIUM)	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	9	0
MEN	16	0
TOTAL	25	0

At 31 December 2017, 100 % of WAX employees have a CDI (permanent contract).

✕ SQLI SA (LUXEMBOURG)

SQLI SA	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	1	0
MEN	5	0
TOTAL	6	0

At 31 December 2017, 100% of SQLI SA employees have a CDI (permanent contract).

✕ SQLI LUXEMBOURG SA

SQLI LUXEMBOURG SA	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	0	0
MEN	0	0
TOTAL	0	0

At 31 December 2017, SQLI LUXEMBOURG SA doesn't have any employee.



✕ INVENTCOMMERCE LTD

INVENTCOMMERCE LTD	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	2	0
MEN	2	0
TOTAL	4	0

At 31 December 2017, 100% of INVENTCOMMERCE LTD employees have a CDI (permanent contract).

✕ INVENTCOMMERCE PROPRIETARY LTD

INVENTCOMMERCE PROPRIETARY LTD	Permanent contracts (CDI)	Temporary contracts (CDD)
WOMEN	9	0
MEN	12	0
TOTAL	21	0

At 31 December 2017, 100% of INVENTCOMMERCE PROPRIETARY LTD employees have a CDI (permanent contract).

2.2. WORK ORGANIZATION

Most employees of the ESU are executives who can not have a regular schedule because of the nature of their work or who can organise their working time in a flexible manner.

That's why they apply an agreement of annualised working time (in days or hours).

The non-executive employees have a regular contract of 36.2 working hours a week. Other than in special circumstances, these employees can also organise their working time as they wish. SQLI ESU offices apply a policy to avoid the application of overtime.

In 2017, SQLI Group has 53 part-time employees (2.5% of SQLI total staff) et SQLI ESU has 39 part-time employees (2.9% of the ESU total staff).



SQLI ESU 2017	PART TIME EMPLOYEES		FULL TIME EMPLOYEES		% of PART TIME EMPLOYEES	
	M	W	M	W	M	W
SQLI	9	30	974	319	0.68 %	2.25 %
WAX INTERACTIVE	0	0	0	0	0 %	0 %
WAX INTERACTIVE LILLE	0	0	0	0	0 %	0 %
ECOMMERCE4U	0	0	0	0	0 %	0 %
EOZEN FRANCE	0	0	0	0	0 %	0 %
TOTAL	9	30	974	319	0.68 %	2.25 %

Part-time contracts are signed essentially on request of the employees.

For the other companies of SQLI Group, the working time of employees is distributed as follows:

ASTON INSTITUT:

2017	PART TIME EMPLOYEES		FULL TIME EMPLOYEES		% of PART TIME EMPLOYEES	
	M	W	M	W	M	W
ASTON INSTITUT	0	0	3	16	0 %	0 %



SQLI FOREIGN SUBSIDIARIES:

SQLI ESU 2017	PART TIME EMPLOYEES		FULL TIME EMPLOYEES		% of PART TIME EMPLOYEES	
	M	W	M	W	M	W
SQLI SUISSE	4	2	122	11	2.9 %	1.5 %
SQLI MAROC	0	0	309	156	0 %	0 %
SQLI BELGIUM	3	2	24	11	7.5 %	5 %
WAX (BELGIUM)	1	0	15	9	4 %	0 %
SQLI SA (LUXEMBOURG)	0	1	5	0	0 %	16.7 %
SQLI LUXEMBOURG SA	0	0	0	0	0 %	0 %
INVENTCOMMERCE LTD	1	0	1	2	25 %	0 %
INVENTCOMMERCE PROPRIETARY LTD	0	0	12	9	0	0

2.2.1 WAGES AND BENEFITS WITHIN SQLI ESU

SQLI ESU implemented various measures in favor of staff well-being.

✕ REMUNERATION

SQLI does not have information regarding the staff composition of its foreign subsidiaries and ASTON INSTITUT. Only data regarding SQLI ESU are available.

At 31 December 2017, the total of consolidated gross wages of SQLI ESU amounted to: 65 490 658.66€ against 65 015 892€ at 31 December 2016.

The activities, responsibilities and wages (fixed and variable) of SQLI ESU employees are defined in their work contract.

The definition of objectives allowing to receive variable compensation and the conditions of payment of this variable part are reviewed in an annual commission plan.

SQLI remuneration policy aims at attracting, stimulating and retaining its employees, by offering incentive and fair remuneration.

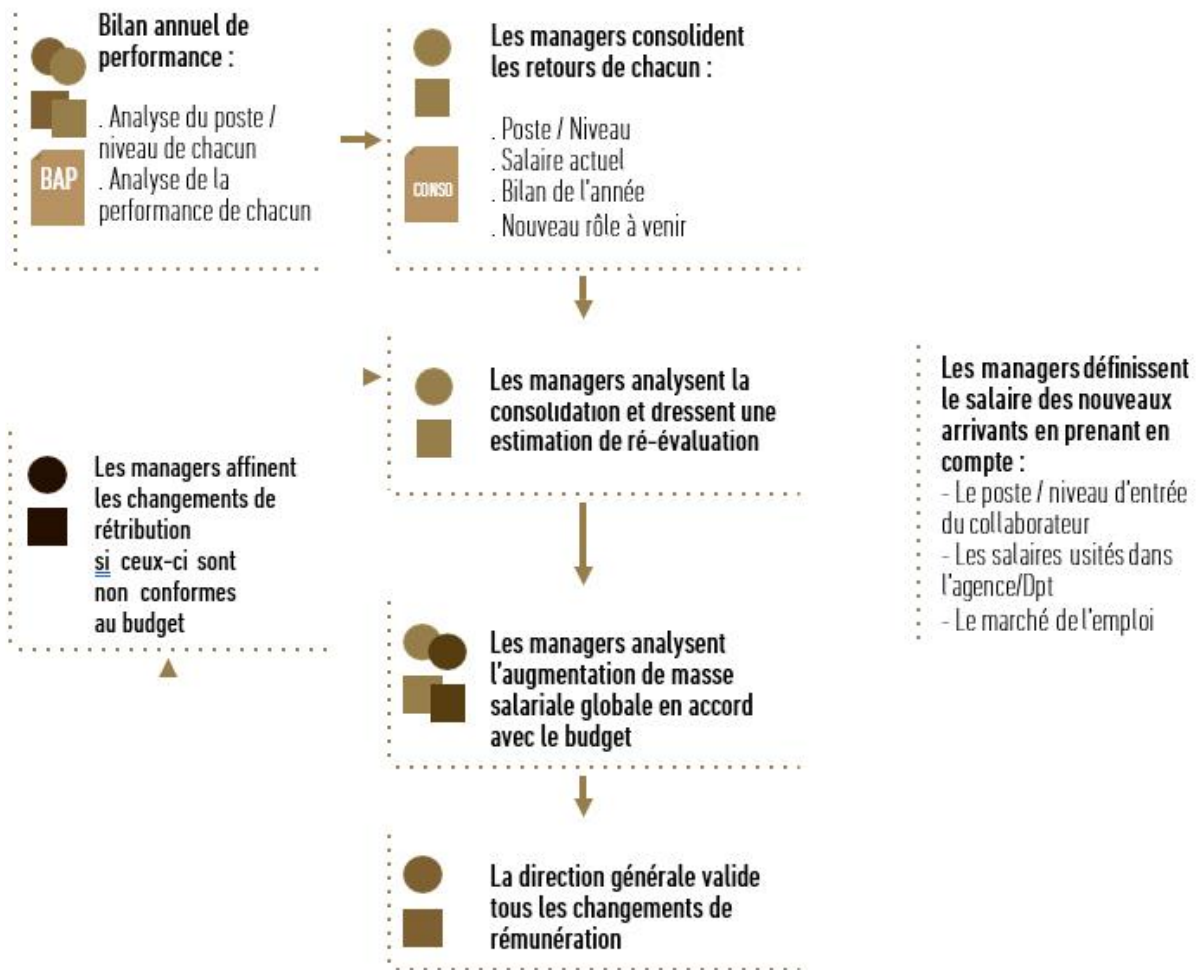
The main criteria of SQLI ESU remuneration policy are the following:

- prioritising the respect of internal equity;
- favoring a sentiment of recognition (worthiness, expectations of the employee);



- ensuring consistency between individual and corporate objectives.

REMUNERATION POLICY OF SQLI ESU:



In 2007, Ethifinance, an independent extra-financial assessment firm specialised in corporate social responsibility, mentioned in its report: *"SQLI implemented a proactive and stimulating HR policy."*



As part of a corporate agreement on professional equality between men and women, SQLI ESU committed to:

- guarantee equal starting wages when recruiting male and female employees, basing the wages only on the level of training, experience and skills required for the job;
- guarantee equal remuneration of men or women for the same (or equivalent job) during the wages review periods;
- granting employees in maternity or parental leave a remuneration evolution corresponding to the average individual variation due to performance at work and including the general evolutions integrated in the company.

✗ EMPLOYED SHAREHOLDER PROGRAM

In 2006, SQLI offered a Group saving plan to its employees, allowing them to build a portfolio of securities and enjoy the fiscal benefits of it.

In order to strengthen the relationship with the staff and to share the company success, SQLI offers every year preferential subscription rights to its employees (attracting subscription price, matching contribution of the Group).

In October 2017, SQLI decided to open the following preferential subscription operation to his employees:

- Subscription price of 31.01€ per share.
- Matching contribution of SQLI:
 - Between 1€ and 1000€: 20% of the voluntary contribution amount,
 - Between 1 001 € and 2 000 € : 15 % of the voluntary contribution amount,
 - After 2000 €: No matching contribution.

In September 2017, the Executive Board decided to increase the capital by a maximum nominal value of 14,000 €, with the issue of 17,500 shares whose nominal value amounts to 0.08 each (subscription in cash).



This capital increase has the following conditions:

- Subscription price of 28.70€ per share.
- The voluntary contributions gave right to a matching contribution of maximum 350 euros per employee, such as indicated above.

Following these operations, 2.2% of the capital and 3% of voting rights are held by employees as part of the Group Saving Plan.

✕ SOCIAL BENEFITS:

SQLI ESU employees have the following social benefits:

- Company insurance plan (contribution 50% employee, 50% Group)
- Pension plan,
- Housing plan granting a 1% housing benefit?
- Company restaurant or lunch vouchers (60% paid by the Group),
- Service activities offered by the employee representative committee.

2.2.2 SOCIAL RELATIONSHIP:

✕ SOCIAL DIALOGUE AND STAFF REPRESENTATION

Within SQLI ESU:

+ EMPLOYEE REPRESENTATIVE ORGANISATIONS :

SQLI ESU employees are represented by a staff Committee and staff representatives.

Their members have been elected during the professional elections held in November 2015.

Following an agreement on electronic vote concluded on 1st August 2011 with the trade unions present within the ESU, an electronic vote was organised for the second time for this election.



CORPORATE COMMITTEE

The **Corporate Committee** has 16 members, including 8 appointed members and 8 alternate members. The Staff Committee has two missions:

- guaranteeing the expression of all employees in order to represent at all time their interests within the decisions related to the management and the economic and financial development of the company, work organisation and professional training;
- organising service activities, with the budget granted by the ESU.

The Staff Committee meets at least once a month, and is convened by the company. The Committee chairman is SQLI CEO.

+ STAFF REPRESENTATIVES:

Staff representatives are about 20, including:

- 9 appointed members and 9 alternate members within the group "Engineers and executives"
- 1 appointed member and 1 alternate member within the group "Workers and employees"

The Committee must review all individual or collective claims from employees, related to wages, health, security, collective agreements and conventions, and must inform the Group management.

The Staff representatives meet with the company altogether at least once a month.

+ HEALTH, SAFETY AND WORKING CONDITIONS COMMITTEE:

SQLI ESU has a Health, Safety and Working Conditions Committee including 6 members. The members of these Committee have been reappointed in April 2016.



✕ RESULT OF COLLECTIVE AGREEMENTS WITHIN SQLI ESU:

+ COLLECTIVE AGREEMENT ON PSYCHOSOCIAL RISKS :

SQLI is aware that stress prevention helps keeping the employees in good health and making the company more performant. In 2014, the company defined five categories of employee unhappiness:

- nature of the work and/or the characteristics of the tasks to perform: strenuous, monotonous or repetitive activities, over or underload of work, temporal pressure;
- organisation of the work: lack of control on distribution and organisation of the employee tasks, vagueness of the missions, contradictory orders, bad communication, just-in-time basis, work schedule unfit to social and family life, precarious status, lack of objectives...;
- work relationship: lack of support from colleagues and managers, bad engagements of management, bad recognition of the work, social or physical isolation;
- physical environment: noise, heat, humidity, overcrowded workplace...;
- social and economic environment: competitive environment at national or international level, bad economic performance of the company...;

In order to be efficient, SQLI chose to adopt a performant tool allowing to prevent any situation of stress at work, while considering that it was logical to give priority to primary prevention actions (targeted on the causes within the organisation), over secondary prevention actions (targeted on employees to manage stressful situations) and tertiary actions (helping the concerned employees). This tool is called People CMM. (PEOPLE Capability Maturity Model).

This human resources management tool helps to measure the maturity level of the company regarding HR management, in order to bring a long-term improvement of communication between employees and their HR representatives, while following the quality of employees supervision to favor their fulfillment at work.



SQLI also recently acquired another HR management tool called WingSpan which will be soon deployed within the Group. This tool will allow SQLI to be more efficient in terms of performance and employee development management, thanks to a complete and objective approach of human resources.

Following the decision of 23 April 2009 related to the Interprofessional national agreement on stress at work, SQLI contacted the trade unions of the company to elaborate a corporate agreement presenting the practices following within the Group.

SQLI is aware that the first condition to help preventing stress at work is a strong and continuous involvement of the Group management. With this agreement, the company intends both to formalise and perpetuate the measures already implemented within the Group and to adopt new measures to prevent and fight persisting stress factors.

A corporate agreement on psychosocial risks has been signed on 11 March 2011.

This agreement provides for:

- the creation of an efficient prevention process to fight all kind of issues related to stress at work;
- the information and training of all the company actors;
- the fight against stress at work and promotion of good practices, especially regarding dialogue within the company and the organisation;
- the search for a good balance between professional, family and personal life.

+ ACTION PLAN RELATED TO PROFESSIONAL EQUALITY BETWEEN MEN AND WOMEN

On 30 December 2011, SQLI ESU signed a corporate agreement related to professional equality between men and women. SQLI ESU adopted an action plan on 11 March 2016 in order to perpetuate the actions already implemented with the last agreement and to benefit from this experience in order to reinforce the measures related to professional equality.



As part of this agreement, SQLI ESU committed to act on all the causes related to existing inequalities between men and women, regarding the following subjects:

- > recruitment;
- > training;
- > career development;
- > qualification;
- > classification;
- > working conditions;
- > effective remuneration;
- > balance between professional activity and family life;
- > equality of remuneration between men and women.



In terms of recruitment, SQLI committed to consider at least one female candidate for every IT engineering job.

The agreement stipulates: "When the skills and qualifications of the candidate are equivalent, the female candidate will be preferred, with the condition of taking objectively into account the specific situation of every candidate."

ACTION PLAN RELATED TO THE GENERATION PROTECTION CONTRACT:

On 11 October 2013, SQLI ESU signed a corporate agreement on generation protection contract. SQLI ESU renewed its commitment regarding the integration of young people and the retention of senior employees with an action plan on generation protection. This action plan has been approved by the Staff Committee and signed on 9 December 2016.



This action plan aims at:

- helping with the integration of young people within SQLI ESU by giving them access to permanent work contracts. SQLI ESU decided to implement the following measures: follow-up interviews of young employees, creation of tutorials, distribution of a welcome handbook to make the integration easier for young employees, interns and apprentices, development of partnerships with schools and universities, definition of targeted figures regarding the recruitment of young people,
- promotion of recruitment and retention of senior employees. SQLI ESU also committed to take the following actions: organising an individual end-of-career interview with each senior employee, offering to senior employees getting retired the possibility to keep a part-time job, promoting skills and qualifications training for senior employees, offering skills assessments and validation of prior experience to employees of 50 years or more,
- guaranteeing the transmissions of knowledge and skills between generations. The transmission of knowledge is made through tutorials. Experienced employees can share the knowledge or skills due to their experience. Fresh graduates can share the knowledge acquired during their studies with older employees.

+ AGREEMENT ON WORKING TIME ORGANISATION :

In order to comply with the amendment of Syntec 'Convention collective' signed on 1st April 2014, SQLI ESU adopted a new agreement on working time organisation. This new agreement supersedes the former "Accord RTT" of 8 November 2000.



With this agreement, the parties agreed to apply six management processes regarding working time organisation, as follows :

- an individual agreement with a fixed daily basis without RTT (Reduction for working time) applied to Executive managers,
- an individual agreement with a fixed daily basis with RTT (Reduction for working time) applied to executives and engineers, who can freely organise and manage their workload,
- an agreement on overtime on a weekly basis: 38.30 hours for executives and similar jobs which can not benefit from an annualised working time organisation (in days),
- an agreement on overtime on a weekly basis of 39 hours, applied to all employees who can not benefit from an annualised working time organisation (in days), and whose job requires to spread working hours in this way,
- an agreement on overtime on a weekly basis of 36.20 hours for executives and non-executives submitted to a collective working schedule and whose job requires to spread working hours in this way.
- The legal duration of work applied to executives and non-executives submitted to a collective working schedule not covered by the four other plans.

A follow-up of the staff working time will be realised during the annual review of effective work duration and working time organisation.

Furthermore, a follow-up committee, including SQLI ESU management board and a member of each trade union, will meet every year in order to review the terms and conditions of this agreement.

✕ INTERNAL COMMUNICATION ON THE CORPORATE SOCIAL NETWORK

SQLI created a corporate social network called "Yammer".

This internal communication tool makes the employees life easier,

- by promoting information sharing and exchange,
- favoring collaborative work.



SATISFACTION SURVEY

SQLI decided to introduce a quality improvement process regarding staff management.

The company introduced in February 2013 the first satisfaction survey called "SQLI à votre écoute" (SQLI listens to you) opened to all employees.

This on-line survey is strictly anonymous and processed by an third-party (People Vox). The goal is to get to know better the expectations and sentiments of the employees regarding the company, and the following subjects:

- > causes of satisfaction or unsatisfaction;
- > the expected quality level of working conditions.

SQLI already launched a second survey in January 2014 and plans to do it every year in order to better follow the results of implemented actions.

With the results of the 2013 survey, an action plan aimed at improving the employees working conditions has been immediately put in place.

In application of this plan, measures have been taken to improve the company offices. SQLI refurbished Saint-Denis offices and acquired new offices in Toulouse and Nantes.

Following this survey, a mentorship system has been implemented in order to facilitate the integration of new employees. A mentor is assigned to each new employee in order to supervise and assist him/her during all his/her probationary period.

A measure has been taken to improve the follow-up of partners sent on mission. Once a month, a HR contact visits the employee on his mission site in order to review his situation.

The participation rate of SQLI employees for the second survey made in January 2014 has been slightly higher than the one of the previous year (from 55.9% to 58.8%).

The total satisfaction rate is 75%, with 14% of employees resulting unsatisfied and 11% with a neutral position.



The comparison of these two surveys shows stable results regarding employee satisfaction, except from two results slightly decreasing, regarding the integration of new employees and the communication within the company.

The result analysis also shows that management is one of SQLI main assets. Team spirit, the atmosphere at work and internal skills are few of the points of satisfaction highlighted by the participating employees.

The survey also shows that SQLI employees have strong expectations in terms of:

- internal communication;
- remuneration policy, considered as lower than the one of SQLI competitors;
- visibility regarding career management and training;
- collaboration between agencies and Business Units.

In order to keep listening to its employees' needs and their welfare, SQLI introduced a new satisfaction survey in January 2015.

The survey results highlighted the following issues: the integration of employees and the Group image for employees being in the company for less than one year.

However, SQLI employees think that there are still some areas of improvement, such as:

- recognition of management;
- deployment of HR policy;
- career management;
- inter-job/inter-agency communication.

In 2017, SQLI introduced a new survey on turnover within the company.

Professional fulfillment, local management and atmosphere at work are the main satisfaction points highlighted by the employees.

The communication between the different Business Units and career management appear as some areas for improvement.



In order to answer to its employees needs, SQLI implemented the following actions:

- a change support program is in course in order to reduce insecurity sentiment which can exist in case of restructuration;
- the creation of relay managers in charge of offering a local supervision;
- a better recognition by the management, with the creation of an annual performance review for all the Group employees;
- definition of a SQLI manager model and creation of a specific training giving managers the necessary tools to manage their teams, implement managerial approaches, participate in the field and stimulate the employees;
- training of relay managers;
- deployment of HR communications in order to inform the staff of the works and measures in progress;
- restructuration of job organisation;
- creation of an internal mobility process and a better view of job offers;
- optimisation of training.

2.2.3 HEALTH AND SAFETY

Staff health and security is an absolute priority for SQLI ESU.

Offering good working conditions and taking into account human factors are continuous goals of the company, just like economic results and environment protection.

SQLI occasionally supports the employee representative committee with actions aimed at promoting employee security, such as the distribution of alcohol sensors.

SQLI is aware that preventing psychosocial risks is the key priority in terms of health and security in this activity field.



On 11 March 2011, the company signed an agreement with the main trade unions in order to reduce stress factors at work through an information campaign for the company parties and the promotion of good organisational practices and non-violent communication.

✕ ABSENTEEISM

- ✕ In 2017, the Group employees (ex. SQLI Suisse and SQLI Maroc) have taken 14,008 days off (in working days) and 2,154 for SQLI Suisse and SQLI Maroc (in calendar days, except for authorised leave within SQLI MAROC is given in working days).

Within SQLI ESU:

In 2017, SQLI ESU employees have taken 11,770 days off, divided as follows:

SQLI ESU	WORKING DAYS OFF IN 2017				
	ILLNESS	ACCIDENT AT WORK / COMMUTING ACCIDENT	MATERNITY LEAVE	AUTHORISED LEAVE	TOTAL
SQLI	8344	199	2218	556	11770
WAX INTERACTIVE	0	0	0	0	0
WAX INTERACTIVE LILLE	0	0	0	0	0
ECOMMERCE4U	0	0	0	0	0
TOTAL	8344	199	2218	556	11770



ASTON INSTITUT:

In 2017, ASTON INSTITUT employees have taken 2013 days off, divided as follows:

SQLI ESU	WORKING DAYS OFF IN 2017				
	ILLNESS	ACCIDENT AT WORK / COMMUTING ACCIDENT	MATERNITY LEAVE	AUTHORISED LEAVE	TOTAL
ASTON INSTITUT	146	0	64	3	213

SQLI FOREIGN SUBSIDIARIES:

	WORKING DAYS OFF IN 2017				
	ILLNESS	ACCIDENT AT WORK / COMMUTING ACCIDENT	MATERNITY LEAVE	AUTHORISED LEAVE	TOTAL
SQLI MAROC	*	*	*	640	640
SQLI BELGIUM	694	0	21	61	725
WAX (BELGIUM)	441	0	0	61	502
SQLI SA (LUXEMBOURG)	17	0	0	0	17
SQLI LUXEMBOURG SA	0	0	0	0	0
INVENTCOMMERCE LTD	12.5	0	0	0	12.5
INVENTCOMMERCE PROPRIETARY LTD	128.5	/*	/*	/*	128.5



*Absence due to illness, accident at work, commuting accident and maternity, within SQLI MAROC is given in calendar days (cf. following table).

	CALENDAR DAYS OFF IN 2017				
	ILLNESS	ACCIDENT AT WORK / COMMUTING ACCIDENT	MATERNITY LEAVE	AUTHORISED LEAVE	TOTAL
SQLI SUISSE	334	0	0	143	477
SQLI MAROC	921	31	725	*	1677

*Absence for authorised leave within SQLI MAROC is given in working days (cf. table above).

✕ ACCIDENTS AT WORK:

SQLI ESU and the other companies of the Group don't use any equipment, material, machine or product submitted to specific regulations. SQLI ESU and the other subsidiaries have an office-based activity and are not exposed to any significant or dangerous risk.

The company did not register any professional disease report in the last six years. Prevention related to professional diseases is nonetheless performed through the agreement on psychosocial risks concluded with the trade unions on 11 March 2011.



TOTAL NUMBER OF ACCIDENTS AT WORK WITHIN SQLI ESU:

YEAR	NUMBER OF LOST TIME ACCIDENTS	FREQUENCY RATE OF ACCIDENTS AT WORK	SEVERITY RATE OF ACCIDENTS AT WORK
2011	15	5.89 %	0.17 %
2012	10	4.26 %	0.14 %
2013	14	6.70 %	0.05 %
2014	14	6.49 %	0.19 %
2015	10	4.44 %	0.01 %
2016	15	6.45 %	0 %
2017	14 (1 accident at work and 13 commuting accidents)	0.39 %	0.01 %

At 31 December 2017, SQLI ESU registered 14 accidents at work, including 13 lost-time accidents (against 15 in 2016).

The frequency rate of lost-time accidents in 2017 amounts to 0.39% and the severity rate of these accidents to 0.01%.

These numbers are very low and SQLI ESU takes all the necessary steps to avoid such accidents. SQLI ESU pays particular attention to the accidents happening during the staff business trips.

Aston company did not record any work or business trip accident in 2017.

There has been no work or business trip accident recorded for companies SQLI SUISSE, SQLI BELGIUM, WAX (Belgium), SQLI SA (Luxembourg), SQLI LUXEMBOURG SA, INVENTCOMMERCE LTD and INVENTCOMMERCE PROPRIETARY LTD. However, one accident at work was recorded in SQLI MAROC in 2017.

At 31 December 2017, SQLI has recorded 15 lost-time accidents during the year.



✕ HEALTH AND SECURITY:

SQLI ESU has a Health, Safety and Working Conditions Committee including 6 members appointed in April 2016.

This Committee participates in protecting physical and mental health and security of the employees, improving working conditions and controlling the application of legal and regulatory rules in this field.

A GP is regularly invited to the Committee meetings which happen every three months and are convened by the company.

After discussion with the Committee members, SQLI ESU performs every year an evaluation of professional risks to which the employees can be exposed.

Following this risk review, SQLI ESU updates its Valuation of professional risks report and elaborates an annual plan to prevent professional risks and improve working conditions. This plan includes all measures to be implemented during the year within the ESU in order to prevent professional risks.

SQLI ESU plans regular medical examinations for the employees performed by an occupational physician (one examination after recruitment and one every two years).

in February 2018, Saint-Denis and Paris offices relocated all into new premises located in Levallois-Perret. The offices were entirely refurnished, with adapted and ergonomic equipments.

✕ HEALTH AND SECURITY AGREEMENT SIGNED WITH TRADE UNIONS:

SQLI ESU pays particular attention to the prevention of professional risks related to stress at work.

In order to limit such risks and their impact on staff health, SQLI ESU took a series of measures through a corporate agreement.



These measures deal with:

- the creation of an efficient prevention process to fight all kind of issues related to stress at work;
- the information and training of all the company actors;
- the fight against stress at work and promotion of good practices, especially regarding dialogue within the company and the organisation.
- the search for a good balance between professional, family and personal life.

✕ COMPLIANCE WITH OIL MAIN CONVENTIONS:

SQLI ESU strictly controls the application and respect of OIL main conventions.

The company pays particular attention to OIL Declaration of fundamental principles and rights at work. These principles and rights are the following:

- f freedom of association and the effective recognition of the right to collective bargaining;
- elimination of all forms of forced or compulsory labour;
- effective abolition of child labor;
- elimination of discrimination in respect of employment and occupation.

On 27 January 2005, SQLI ESU signed a declaration on fundamental social rights promoting:

- freedom of speech;
- mutual assistance and team spirit;
- improvement of employee health, security and working conditions;
- respect of the trade unions work;
- abolition of child labor;
- equal opportunity;
- right to occupation and training;
- quality of Human resources management;
- protection of the environment.



2.2.4. RECRUITMENT AND SUPERVISION OF EMPLOYEES

✕ PEOPLE CMM AND WINGSPAN :

SQLI is aware that the workforce is the company's main asset and applied from the beginning a high-quality human resources policy.

In 2004, the Group introduced People CMM, the only management tool performing optimal quality in HR and giving full satisfaction to the staff.

In order to prevent any stressful situation, constant communication must be achieved with the line managers (managers and HR contacts)

To this end, the employee must be supported during all his career at SQLI. Different supporting actions have been created for the employee:

- When being assumed in the company, the employee participates in an integration seminar where he can learn all about the Group and the HR management tool, PEOPLE CMM.
- All the information related to the employee integration with the Group, his agency and his team are included in the SQLI GUIDE given to each employee when entering the company. This guide describes all the Group processes, orientations and objectives.
- The use of People CMM tool allows to ensure a complete supervision of the employee right from the start and during all his time within the company, with the help of detailed processes used by HR contacts to follow each employee and answer to their needs.

People CMM helps SQLI employees to be proactive in their career management.



As a continuous improvement process, People CMM is particularly performant regarding:

- communications and relationships;
- individual follow-up and career management;
- training and individual development;
- integration of young employees;
- remuneration policy;
- performance recognition;
- work environment.

In order to improve its HR policy, SQLI recently acquired a new management software called WingSpan, which will soon replace People CMM.

With the introduction of this new tool, SQLI helps to manage more efficiently the performance and career of each employee.

Wingspan software will allow to:

- organise social climate surveys in order to review the areas which need improvement by human resources and management teams in order to foster a stimulating, adapted and performant work environment;
- strengthen the role of proximity management and foster dialogue with team members;
- classify the objectives by priority: managers and partners can interact and conclude agreements about classification and notation;
- introduce an objective process to plan succession, by automatically selecting and classifying best in-house candidates for a specific job. This process will allow to identify the skills which need to be acquired and developed for everybody, in order to elaborate a development plan for each candidate;
- increase participation to individual interviews, performance reviews and development plans;
- elaborate fair decisions based on assessments and remuneration levels;
- align individuals, teams and managers with the company strategy;
- ensure that everyone is assessed with the same standards and objectives;
- support independence, responsibility and alignment of managers, employees and the company through performance development.

✕ HR CONTACT

Entities with more than 50/60 employees introduced HR contact persons in order to facilitate close management. In the other entities, department managers perform an individual follow-up of each employee.



The HR contact mission is to ensure full supervision of each employee, in terms of:

- > follow-up of his missions;
- > management of individual interviews every half year and year, based on the employee performance assessment;
- > supervision of career opportunities;
- > monitoring of training actions;
- > bridging role between the management and employees.

✕ ANNUAL PERFORMANCE REVIEW:

Every year, SQLI employees are submitted to a performance review with their manager.

The annual performance review is a key component of SQLI HR processes. This review helps to assess the employee results, set new goals, learn about his expectations and difficulties.

✕ HR COMMITTEE:

The HR Committee is composed of the Head managers, the different entities directors, heads of HR, training and communication departments.

The purpose is to deal with all the HR issues locally identified or related to legislation amendments, allowing to continuously improve the employees working conditions.

The HR Committee meets once a month in order to follow the execution of the different action plans.



SQLI regularly organises within each agency the following sessions: "Communicating with colors" for all employees.

This method allows employees to

- > discover and understand their personality;
- > understand how they behave in front of others;
- > identify their strengths in order to develop them and communicate more efficiently;
- > extend their comfort zone to learn how to adapt to different personalities.

All SQLI managers followed the "Communi'action" training session which helped them to organise their speech and communication methods more efficiently.

TRAINING

SQLI ESU training policy intends to accommodate the company needs with the employees professional expectations.

TOTAL NUMBER OF TRAINING HOURS:

In 2017, the total number of hours dedicated to training within SQLI Group amounted to 36,535.

Within SQLI ESU:

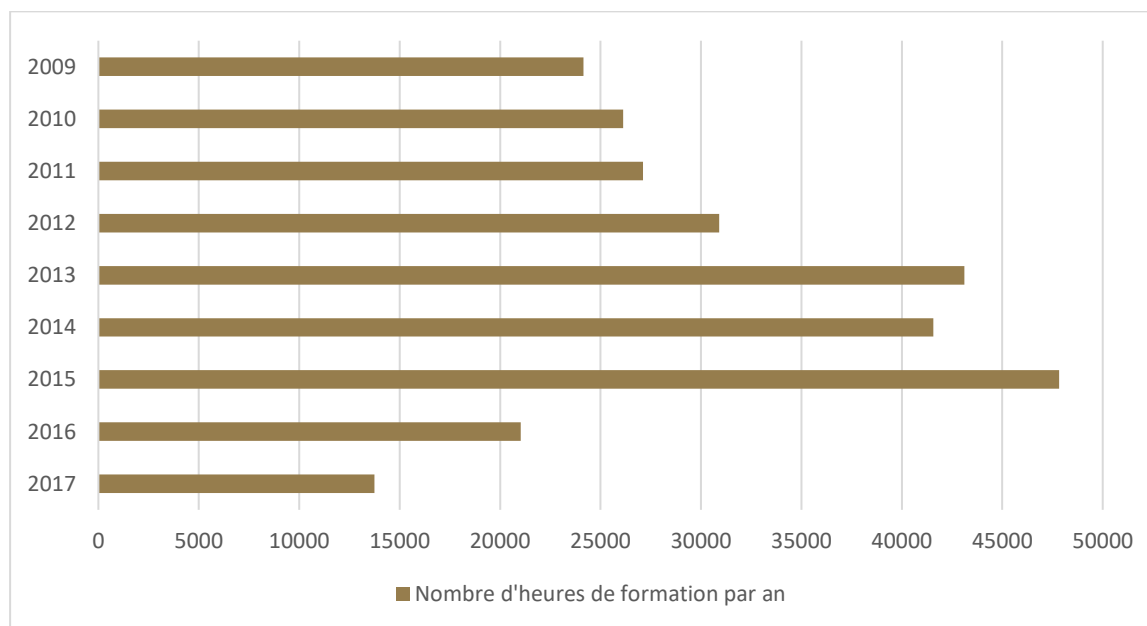
SQLI ESU gives its employees the time and necessary means to consolidate their knowledge, with specific training plans, short sessions or technical certifications.



The training plan established by the company allows managers and HR contacts to plan and follow training activities scheduled with the employees during annual and semestrial interviews. For each employee, the training plan guarantees the application of training activities schedules during annual and semestrial interviews, along with a guarantee of individual progression.

In 2017, the total number of hours dedicated to training was 13,741, against 21,033.60 hours in 2016, 47,837 in 2015, 41,572 in 2014, 43,107 hours in 2013, 30,909.10 hours in 2012, 27,111 hours in 2011, 26,132 hours in 2010 and 24,153 hours in 2009.

VARIATION OF TIME AMOUNT DEDICATED TO TRAINING EVERY YEAR



In 2017:



Within SQLI ESU:

SQLI ESU 2017	Total number of training hours	Number of hours for compulsory training	Number of hours for professionalisation schemes	Number of hours for professionalisation contracts
SQLI	13,741	21	0	20,808
WAX INTERACTIVE	0	0	0	0
WAX INTERACTIVE LILLE	0	0	0	0
ECOMMERCE4U	0	0	0	0
TOTAL	13,741	21	0	20,808

ASTON INSTITUT:

The information given in the following table includes declarative data.

SQLI ESU 2017	Total number of training hours	Number of hours for compulsory training	Number of hours for professionalisation schemes	Number of hours for professionalisation contracts
ASTON INSTITUT	0	0	0	0



In 2017, SQLI decided to follow the recommendations of SYNTEC and submitted to the Staff Committee a training plan focused on the following objectives:

- securing the professional development of the employees of the sector, the fresh graduates and job-seekers;
- developing access to professional training actions with the introduction of the company training plan, while preserving freedom of choice for the company;
- encouraging the customisation of training offers and the use of new educational technologies /answering to regional needs).

The training plan adopted by the Staff Committee for 2018 focused on:

- management: supporting relay managers and introducing a leadership program;
- business: consultative sells and offers;
- promotion of foreign language learning (English);
- flexibility: professional skills and soft skills
- project management: from the basis training to the certification of project managers
- Technical skills: Adobe, Angular, Big Data, Java Script, Druptal, DevOps etc

In 2017, 1293 employees signed in to participate to professional trainings in 2018.



The wage bill taken into consideration for the budget forecast related to 2018 training scheme was 65 490 658,66 euros, with forecast contributions calculated as such:

TRAINING SCHEME	AMOUNT
SYNTECH contribution (0.225 %)	
0.9 % of the wage bill - VAT taxable	589,416 €
PROFESSIONALISATION CONTRACTS AND CPF	AMOUNT
0.5 % of the wage bill - VAT taxable	327,453 €
Personal training right	AMOUNT
0.2 % of the wage bill - VAT taxable	130,981 €

In order to favour the professional development of its employees, SQLI introduced a special unit dedicated to training in the end of 2011.

The tasks of this new Training department aim to:

- centralise training needs and requests coming from all the employees;
- prepare an annual training plan;
- optimise the training budget;
- organise training sessions with intern and extern animators;
- managing certifications;
- supervising the training sessions.

SQLI ESU is also involved in the training of young students to help them discover the different jobs of the company. 80 apprenticeship or qualification contracts have been concluded in 2017, against 32 in 2015, 40 in 2014, 27 in 2013, 23 in 2012 and 20 in 2011.



SQLI FOREIGN SUBSIDIARIES:

TIME AMOUNT DEDICATED TO TRAINING IN 2017

The information given in the following table includes declarative data.

2017	Total number of training hours	Number of hours for compulsory training	Number of hours for professionalisation schemes	Number of hours for professionalisation contracts
SQLI SUISSE	2,784	0	0	0
SQLI MAROC	14,990	0	0	0
SQLI BELGIUM	3,007	0	0	0
WAX (BELGIUM)	810	0	0	0
SQLI SA (LUXEMBOURG)	1,050	0	0	0
SQLI LUXEMBOURG SA	0	0	0	0
INVENTCOMMERCE LTD	0	0	0	0
INVENTCOMMERCE PROPRIETARY LTD	153	/*	/*	/*

PROFESSIONAL TRAINING PROGRAM DEDICATED TO EMPLOYEES:

SQLI employees have access to all the training courses offered by SQLI Institut (more than 40 sessions).

The training offer covers 6 main fields:

- > IS management;
- > systems and networks;
- > Decision-making and collaboration;
- > software engineering;
- > database;
- > CAP and office automation.



2.2.5. DIVERSITY AND EQUAL OPPORTUNITY

✕ PROFESSIONAL EQUALITY BETWEEN MEN AND WOMEN

In order to promote professional equality between men and women, SQLI ESU signed on 30 December 2011 a corporate agreement related to professional equality between men and women. An action plan related to professional equality between men and women has been approved by the Staff Committee and signed on 11 March 2016. This new agreement allows to perpetuate the actions already implemented with the last agreement and to benefit from this experience in order to reinforce the measures related to professional equality.

SQLI ESU committed to promote professional equality and to defend the principle of non-discrimination on the grounds of gender.

The measures adopted and introduced by SQLI ESU are meant to:

- improve professional equality in the recruitment process;
- guarantee equal professional development for men and women;
- guarantee equal pay between men and women;
- develop actions promoting a good balance between professional, family and personal life.

Considering the limited feminisation of the sector, progress is slow but positive.

In 2016, SQLI ESU counted within the French entities: 1060 men and 363 women (25.5% of total staff);

At 31 December 2017, the staff distribution was as follows: 983 men and 349 women (26.2% of SQLI ESU), which shows the importance of carrying on with introduced measures.

In terms of recruitment, the positive discrimination measures have not showed significant results yet at 31 December 2017 (28.6% of women hired in CDI at 31 December 2016).

Following the declaration on fundamental social rights of 27 January 2005, SQLI committed to assume men and women on the basis of their skills and treat them with respect and non-discriminatory manners.



SQLI Executive Board now has a female member.

With the aim of encouraging the presence of women within the company governing bodies, Fabienne Conte, Financial director of Institut Curie, has been elected as new Board member on 29 March 2011. This decision was confirmed by the General Assembly of 14 June 2011. After the departure of Fabienne Conte on 25 June 2014, a new woman has been elected in the Executive Board. Véronique Reille Soult de Dalmatie has been chosen as new Board Member by the General Assembly of 25 June 2014.

✕ OCCUPATION AND INTEGRATION OF DISABLED PEOPLE

In 2017, SQLI ESU has 20 disabled employees against 16 in 2016.

In 2012, SQLI concluded a partnership with LB Développement, a specialist in disabled people employment, in order to introduce various actions to raise awareness in this matter.

As part of this partnership, SQLI organised, during the Week for the Employment of the Disabled People, from 12 to 18 November 2012, a competition on disability in order to raise awareness amongst employees.

In 2013, SQLI organised in the headquarters and some of its agencies (Lyon, Nantes, Bordeaux), various actions to raise awareness on disability for his employees.

The sessions run by LB Développement had the purpose of:

- mobilising, raising awareness, informing and training the employees in the matter of disability in order to better integrate their disabled colleagues;
- changing mentalities and prejudices related to disability and eliminating existing obstacles.

In order to promote and develop employment of disabled people, SQLI uses the services of AFLPH (Association pour la Formation et l'Insertion de Personnes Handicapées) which assumes mainly disabled people to produce and make office furniture. In order to support the employment of disabled people, SQLI orders every year office furniture to AFLPH.



In order to demonstrate its commitment to the integration of disabled people, SQLI gave 26 600 euros to the "Clubhouse France" association in 2016, in order to promote social and professional integration of people with mental disease.

SQLI signed a partnership with TALENTEO, first influencer within the market of employment of disabled people in the French web and social network field.

As part of this partnership, the following measures will be taken:

- presence of SQLI brand on TALENTEO platforms (blog and social portals);
- animation of SQLI page on reseautilenteeo.fr website, in order to provide visibility to the disability policy;
- elaboration of materials illustrating the actions taken by SQLI and related to disability and employment. These materials will be published on talenteeo.fr blog and on a page dedicated to companies on TALENTEO social network which will become SQLI portal for missions related to disability;
- diffusion of job offers on Monster Handicap and TALENTEO.

In October 2017, SQLI also participated in the Sport2Job event during which SQLI employees, recruiters and disabled people took up sport and cooking challenges.

This even will help give visibility to SQLI policy in terms of disability in a regular and dynamic way, via reseautilenteeo.fr and social networks.

✕ FIGHT AGAINST DISCRIMINATION AND PROMOTION OF DIVERSITY

SQLI is convinced that staff diversity is an asset for performance development. The Company always paid particular attention to the application of anti-discrimination principles in terms of recruitment, development and training.

On top of the corporate agreements/action plan previously mentioned (equality between men and women, generation protection contract) and its commitments for the employment of disabled people, SQLI signed a charter to "Fight against all discriminations at work and foster diversity within the staff". SQLI pays particular attention to the application of the principles of the charter.



As part of its non-discrimination policy, the company commits to:

- raising awareness and training all the employees to the fight against discrimination and promotion of equal opportunity and diversity;
- assisting and training consultants in order to help them answer their clients needs in terms of equal opportunity, and reject any discriminatory request;
- ensuring transparency and objectivity when processing recruitment applications at every step;
- declining to collect and/or use any information non directly related to the candidate professional skills and/or his/her ability for the offered job;
- informing consistently the candidates as soon as their application is received on their right to access, alter and delete their application form;

dealing with all requests and claims coming from candidates who think they have been discriminated.

2.3. BUSINESS ETHICS

SQLI intends to run its activities in a responsible, transparent and ethical manner. The Company adopted a series of principles mainly based on compliance with internal rules and international law which have been listed within an ethical charter.

This Charter deals with:

- anti-competition principles;
- corruption and interest conflicts;
- rules related to intellectual property;
- respect of the people.

The Company policy in terms of ethics and deontology seems clearly identified and widespread within the Group. SQLI is among the companies most advanced in the sector regarding the integration of sustainable development challenges, Ethifinance report.



III. ENVIRONMENT-RELATED INFORMATION:

3.1. ENVIRONMENT-RELATED GENERAL POLICY

3.1.1 TEMPORARY MEASURES IMPLEMENTED BY SQLI

Considering that SQLI business consists in providing dematerialised products and services, the company impact on the environment is very limited.

SQLI Group applies all one-off measures considered as necessary to limit its consumption of energy and raw materials.

MEASURES TAKEN AS PART OF THE COMPANY "GREEN IT" STRATEGY:

Being aware of the impact of new technologies on the environment, SQLI introduced a Green IT strategy in 2009.

The purpose of this strategy is to reduce the ecological, economic and social footprint of information and communication technologies.



SQLI introduced the "Green IT" charter, including three main objectives:

- **reduction of the impact of IT hardware** (selecting energy-saving computers, automatic switch-off of computers at night, rationalisation of applicative resources and uses, servers and printers) ;
- **use of IT to reduce global energy consumption** (introduction of green monitoring to apply consumption indicators and attempt to reduce them) ;
- **use of IT to regain autonomy and quality of life** (teleconference meetings, home-based work). Storage: promoting storage technologies which help optimise and reduce energy consumption, such as low-consumption SSD which adapt the rotation speed according to the needs and switch-off when not in use.

ACTIONS RELATED TO PRINTING:

- The employees are advised to avoid unnecessary printing;
- Providing recycling bins for paper next to the printers;
- use of multifunction printers (fax, photocopy...)
- setting default black-and-white printing;
- replacing private printers with collective printers;
- organising teleconference meetings;
- creating an intranet network promoting distance communication between employees;
- Other direct measures.

The following good practices have been introduced within the Group:



ACTIONS RELATED TO ENERGY CONSUMPTION:

- Automatic switch-off of lights in the evening;
- introduction of motion detector lights in specific places;
- introduction of timer lights in specific places;
- smart and performant management of technical equipment and buildings: selecting low-consumption equipment, monitoring and optimisation of consumption levels, use of natural ventilation.
- Introduction of energy-saving light bulbs.

ACTIONS RELATED TO BUSINESS TRIPS:

- The employees are advised to prefer Green IT processes (teleconference, etc.)
- The employees are advised to prefer public transports for their business trips.
- When this option is not chosen, the employees are advised to use carpooling.

INTRODUCTION OF AUTOMATIC HAND-DRYERS to replace paper;

USE OF GREEN PRODUCTS by cleaning agents for room cleaning.



INTRODUCTION OF WASTE SORTING

In order to reduce its ecological footprint, SQLI plans to introduce a waste sorting policy. The implementation of this policy will be discussed in 2018.

X AWARENESS TO ENVIRONMENT ISSUES

SQLI employees are regularly informed of good practices to follow in terms of environment protection through awareness campaigns.

3.1.2. ECODESIGN OF SOFTWARE

SQLI is aware that material resources needed for software (RAM, SPU, disk space) are the main factors conditioning equipment renewal.

SQLI decided to improve the quality of software and services in order to limit equipment obsolescence, as part of the company green policy.

SQLI plans to introduce the following measures, when possible:

- Use of iterative development methods to limit the functional cover to key functions and prioritise the user and his needs.
- Use of modular architecture, use of lower layers, choice of compilation mode and level in order to leverage material resources consumption.
- Rationalisation of the IT system as a whole (quality (QoS) and service level (Service level agreement) adapted to the use and real criticality.
- Integration of automative processes to decommission and uninstall software.



3.1.3. ACTIONS TAKEN TO PREVENT ENVIRONMENT RISK AND POLLUTION

Considering that SQLI business consists in providing dematerialised products and services, the company impact on the environment is very limited. Thus, SQLI did not plan any action to prevent environment-related risks and pollution. Only measures aimed at limiting pollution have been studied and applied.

3.1.4. AMOUNT AND PROVISIONS AND RISK GUARANTEES REGARDING THE ENVIRONMENT

The impact of SQLI activity in this matter is limited. The company didn't make any provision for risks related to the environment.

3.2. SOCIALLY RESPONSIBLE INVESTMENT INDEX (SRI) AND SQLI ASSESSMENT

In 2009, SQLI participated in the first survey conducted by GAIA Index.

GAIA Index is the first SRI index dedicated to middle-size companies, with the purpose of assessing the companies commitments in terms of environmental, social and governance matters.

Following a survey performed with 230 listed companies, SQLI has been included in the GAIA Index and rated 14th among the 70 middle-size companies of the index.

In order to review the actions introduced in 2013 in terms of CSR, SQLI participated in GAIA Index new survey in 2014 and obtained a global rate of 63/100 against 51/100 in 2012 and 31/100 in 2011.

3.2.1. POLLUTION AND WASTE MANAGEMENT

✕ WASTE MANAGEMENT

SQLI does not produce waste associated with specific precautions or treatment.

The company electric and electronic equipment is covered by renting contracts and obsolete equipments are regularly replaces by the providers. The company does not have to deal with recycling processes.



✕ TRANSPORTS

In order to limit CO2 emissions related to car travel, SQLI employees are strongly encouraged to use public transports or car pooling for their business trips.

Teleconference meetings must be preferred in order to limit business trips.

The Staff Committee meetings generally happen with teleconference.

In 2013, SQLI equipped all its agencies with a conference room dedicated to teleconference meetings.

These rooms are equipped with a last-generation teleconference system.



CARBON FOOTPRINT RELATED TO RAIL TRANSPORTATION

In 2013:

ROUTES	NUMBER OF ANNUAL TRIPS	"ENVIRONMENT INDEX" RAIL TRANSPORT BY SEGMENT (IN KG OF CO2)	CARBON FOOTPRINT (IN KG OF CO2)	KM COUNTER
LYON-PARIS	2,320	2.77	6,426	1,187,840
BORDEAUX - PARIS	326	3.14	1,025	189,406
NANTES - PARIS	422	2.1	904	167,112
LILLE - PARIS	226	1.40	315	58,308
LYON - NIMES	192	1.54	295	54,528
PARIS - POITIERS	181	1.8	325	60,092
LILLE - LYON	88	4.3	378	69,872
DIJON - PARIS	164	1.7	279	51,660
NIORT - PARIS	209	2.2	466	86,108
MONTPELLIER - PARIS	95	4.5	432	79,895
AIX EN PROVENCE -LYON	75	2.1	157	29,100
GRENOBLE - PARIS	55	3.4	191	35,255
AVIGNON - PARIS	32	5.4	174	32,128
PARIS - TOURS	81	1.2	103	19,035
LYON - MARSEILLE	42	1.9	80	14,742
LE HAVRE - PARIS	84	1.23	104	19,152
NANTES - RENNES	76	0.82	62	11,552
MACON - PARIS	24	2.3	57	10,560
PARIS - ST ETIENNE	21	3.0	65	11,991
LYON - MONTPELLIER	30	1.81	54	10,020
PARIS - ROUEN	68	0.7	52	9,520
AIX EN PROVENCE -PARIS	13	4.8	63	11,700
GRENOBLE - LYON	76	0.7	53	9,804
PARIS - TOULON	15	5.0	75	13,950
MARSEILLE - TOULOUSE	23	2.3	53	9,775
NIMES - PARIS	11	4.2	47	8,701
MULHOUSE - PARIS	23	2.6	61	11,316



LE MANS - LYON	17	3.3	57	10,574
LYON - STRASBOURG	9	2.5	23	4,230
PARIS - STRASBOURG	17	2.7	46	8,551
DIJON - MONTPELLIER	8	2.8	23	4,248
LYON ST EXUPERY TGV - PARIS	15	2.79	42	7,725
LE MANS - PARIS	22	1.14	25	4,642
DIJON - TOULON	7	3.3	23	4,305
NANCY - PARIS	9	1.90	17	3,168
METZ - PARIS	9	1.91	17	3,177
DIJON - LYON	22	1.0	23	4,334
MARSEILLE - PARIS	11	4.6	51	9,493
LYON - NANTES	6	4.3	26	4,842
LIBOURNE - PARIS	4	2.9	12	2,176
PARIS - RENNES	6	2.0	12	2,244
BESANCON - F COMTE TGV - PARIS	5	2.4 5	12	2,260
ANNECY - PARIS	4	3.3	13	2,484
CAEN - PARIS	10	1.4	14	2,650
DOLE - PARIS	5	1.9	10	1,805
AIX LES BAINS - PARIS	4	3.1	13	2,328
PARIS - TOULOUSE	4	4.5	18	3,352
PARIS - REDON	3	2.4	7	1,338
BORDEAUX - TOULOUSE	5	1.3	7	1,285
ORLEANS - PARIS	20	0.6	13	2,420
BREST - PARIS	2	3.3	7	1,244
LILLE - POITIERS	2	3.5	7	1,322
BELFORT - MONTBELIARD	2	2.8	6	1,068
PARIS - QUIMPER	2	20.	40	1,242
LYON - TOULOUSE	2	3.1	6	1,152
TOTAL	5,204		12.87	2,372,781



In 2014:

ROUTES	NUMBER OF ANNUAL TRIPS	"ENVIRONMENT INDEX" RAIL TRANSPORT BY SEGMENT (IN KG OF CO2)	CARBON FOOTPRINT (IN KG OF CO2)	KM COUNTER
LYON - PARIS	2,207	2.77	6,113	1,129,984
BORDEAUX - PARIS	386	3.14	1,213	224,266
NANTES - PARIS	571	2.14	1,223	226,116
LILLE - PARIS	479	1.40	669	123,582
LYON - NIMES	44	1.54	68	12,496
PARIS - POITIERS	108	1.80	194	35,856
LILLE - LYON	23	4.30	99	18,262
DIJON - PARIS	193	1.70	329	60,795
NIORT - PARIS	136	2.23	303	56,032
MONTPELLIER - PARIS	18	4.55	82	15,138
AIX EN PROVENCE - LYON	146	2.10	306	56,648
GRENOBLE - PARIS	93	3.47	323	59,613
PARIS - TOURS	53	1.27	67	12,455
LYON - MARSEILLE	14	1.90	27	4,914
LE HAVRE - PARIS	60	1.23	74	13,680
MACON - PARIS	10	2.38	24	4,400
PARIS - ST ETIENNE	28	3.09	86	15,988
LYON - MONTPELLIER	13	1.81	23	4,342
PARIS - ROUEN	112	0.76	85	15,680
AIX EN PROVENCE - PARIS	18	4.87	88	16,200
GRENOBLE - LYON	83	0.70	58	10,707
PARIS - TOULON	5	5.03	25	4,650
MARSEILLE - TOULOUSE	6	2.30	14	2,550
NIMES - PARIS	6	4.28	26	4,746
MULHOUSE - PARIS	27	2.66	72	13,284
LE MANS - LYON	2	3.37	7	1,244
PARIS - STRASBOURG	6	2.72	16	3,018



LYON ST EXUPERY TGV - PARIS	3	2.79	8	1,545
LE MANS - PARIS	32	1.14	37	6,752
METZ - PARIS	2	20.00	40	706
DIJON - LYON	19	1.07	20	3,743
MARSEILLE - PARIS	8	4.67	37	6,904
LYON - NANTES	5	4.37	22	4,035
PARIS - RENNES	13	2.0	26	4,862
BESANCON - F COMTE TGV - PARIS	3	2.45	7	1,356
CAEN - PARIS	6	1.43	9	1,590
DOLE - PARIS	2	1.9	4	722
PARIS - TOULOUSE	3	4.5	14	2,514
ORLEANS - PARIS	26	0.6	17	3,146
BELFORT	4	2.8	12	2,136
BORDEAUX - TOURS	3	1.8	6	1,047
MORLAIX - PARIS	2	3.0	6	1,126
BELLEGARDE - PARIS	2	3.2	6	1,186
LILLE - NANTES	2	3.9	8	1,450
DUNKERQUE - PARIS	49	1.6	83	15,288
LYON - TOURS	3	3.5	11	1,962
MONTPELLIER - TOULOUSE	13	1.34	17	3,211
BORDEAUX - NANTES	6	2.03	12	2,256
PARIS - VALENCE	3	3.3	10	1,851
ANTIBES - LYON	4	3.22	13	2,384
PARIS - REIMS	10	0.93	9	1,720
PARIS - PARIS	23	0.0	0	-
LYON - TGV HTE PICARDIE	5	3.7	19	3,475
ANGERS - PARIS	12	1.6	20	3,696
AIX EN PROVENCE - VALENCE	21	1.53	32	5,943
TOTAL	5,131		12.12	2,233,252



In 2015:

ROUTES	NUMBER OF ANNUAL TRIPS	"ENVIRONMENT INDEX" RAIL TRANSPORT BY SEGMENT (IN KG OF CO2)	CARBON FOOTPRINT (IN KG OF CO2)	KM COUNTER
LYON - PARIS	2,299	2.77	6,368	1,177,088
BORDEAUX - PARIS	532	3.14	1,672	309,092
NANTES - PARIS	445	2.14	953	176,220
LILLE - PARIS	689	1.40	962	177,762
AIX EN PROVENCE - LYON	215	2.10	451	83,420
DIJON - PARIS	164	1.70	279	51,660
PARIS - RENNES	132	2.02	267	49,368
PARIS - SAINT ETIENNE	74	3.09	229	42,254
AIX EN PROVENCE - PARIS	81	4.87	394	72,900
PARIS - POITIERS	65	1.80	117	21,580
LILLE - LYON	31	4.30	133	24,614
PARIS - ROUEN	207	0.76	157	28,980
PARIS - TOURS	79	1.27	100	18,565
GRENOBLE - LYON	181	0.70	126	23,349
LE HAVRE - PARIS	58	1.23	72	13,224
MONTPELLIER - PARIS	17	4.55	77	14,297
GRENOBLE - PARIS	10	3.47	35	6,410
ELFORT - MONTBELIARD	21	2.16	45	8,379
LYON - MONTPELLIER	20	1.81	36	6,680
MACON - PARIS	16	2.38	38	7,040
LYON - TOULOUSE	12	3.12	37	6,912
NANCY - PARIS	14	1.90	27	4,928
NIORT - PARIS	24	2.23	53	9,888
LYON - NANTES	8	4.37	35	6,456
BOURG EN BRESSE - PARIS	8	2.58	21	3,816
BESANCON - F COMTE TGV - PARIS	10	2.45	24	4,520
NIMES - PARIS	6	4.28	26	4,746



PARIS - TOULON	11	5.03	55	10,230
ANGERS - PARIS	10	1.67	17	3,080
BELFORT MONTBELIARD TGV -	11	2.89	32	5,874
PARIS - STRASBOURG	25	2.72	68	12,575
FUTUROSCOPE - PARIS	15	1.85	28	5,130
CHAMPAGNE-ARDENNE	6	2.73	16	3,024
MARSEILLE - PARIS	8	4.67	37	6,904
ANNECY - PARIS	5	3.36	17	3,105
LYON - MARSEILLE	6	1.90	11	2,106
LYON - STRASBOURG	4	2.54	10	1,880
LIBOURNE - PARIS	6	2.94	18	3,264
LYON ST EXUPERY TGV - PARIS	5	2.79	14	2,575
PARIS - VANNES	5	2.71	14	2,505
BORDEAUX - NANTES	6	2.03	12	2,256
AIX EN PROVENCE - VALENCE	6	1.53	9	1,698
ORLEANS - PARIS	15	0.65	10	1,815
MULHOUSE - PARIS	3	2.66	8	1,476
LAVAL - LYON	3	3.48	10	1,929
LYON - ROUEN	6	3.57	21	3,954
AIX EN PROVENCE - DIJON	3	3.16	9	1,755
LE MANS - PARIS	9	1.14	10	1,899
DIJON - MONTPELLIER	3	2.87	9	1,593
LE CREUSOT - PARIS	3	1.92	6	1,062
LILLE - POITIERS	2	3.58	7	1,322
BORDEAUX	5	1.89	9	1,745
CAEN - PARIS	6	1.43	9	1,590
LE HAVRE - LYON	10	4.04	40	7,470
LE MANS - LYON	3	3.37	10	1,866
Total	5,704		13.25	2,449,830



In 2016:

ROUTES	NUMBER OF ANNUAL TRIPS	"ENVIRONMENT INDEX" RAIL TRANSPORT BY SEGMENT (IN KG OF CO2)	CARBON FOOTPRINT (IN KG OF CO2)	KM COUNTER
LYON - PARIS	2,407	2.77	6,667.20	1,232,384
BORDEAUX - PARIS	713	3.14	2,241.11	414,253
NANTES - PARIS	476	2.14	1,019.76	188,496
LILLE - PARIS	716	1.40	999.38	184,728
AIX EN PROVENCE - LYON	213	2.10	447.10	82,644
DIJON - PARIS	37	1.70	63.05	11,655
PARIS - RENNES	187	2.02	378.36	69,938
PARIS - SAINT ETIENNE	124	3.09	383.05	70,804
AIX EN PROVENCE - PARIS	78	4.87	379.78	70,200
PARIS - POITIERS	53	1.80	95.19	17,596
LILLE - LYON	41	4.30	176.12	32,554
PARIS - ROUEN	97	0.76	73.47	13,580
PARIS - TOURS	13	1.27	16.53	3,055
GRENOBLE - LYON	80	0.70	55.83	10,320
LE HAVRE - PARIS	23	1.23	28.37	5,244
MONTPELLIER - PARIS	4	4.55	18.20	3,364
GRENOBLE - PARIS	12	3.47	41.61	7,692
LYON - MONTPELLIER	10	1.81	18.07	3,340
MACON - PARIS	18	2.38	42.85	7,920
LYON - TOULOUSE	2	3.12	6.23	1,152
NANCY - PARIS	30	1.90	57.13	10,560
NIORT - PARIS	28	2.23	62.41	11,536
LYON - NANTES	2	4.37	8.73	1,614
BOURGEN BRESSE -PARIS	3	2.58	7.74	1,431
BESANCON - F COMTE TGV - PARIS	30	2.45	73.36	13,560
PARIS - TOULON	4	5.03	20.13	3,720
ANGERS - PARIS	16	1.67	26.66	4,928



BELFORT MONTBELIARD TGV -	3	2.89	8.67	1,602
PARIS - STRASBOURG	17	2.72	46.26	8,551
FUTUROSCOPE - PARIS	10	1.85	18.50	3,420
MARSEILLE - PARIS	6	4.67	28.01	5,178
ANNECY - PARIS	1	3.36	3.36	621
LYON - MARSEILLE	25	1.90	47.47	8,775
LIBOURNE - PARIS	4	2.94	11.77	2,176
LYON ST EXUPERY TGV - PARIS	3	2.79	8.36	1,545
BORDEAUX - NANTES	3	2.03	6.10	1,128
MULHOUSE - PARIS	3	2.66	7.99	1,476
PARIS - VALENCIENNES	60	1.36	81.47	15,060
LE MANS - PARIS	19	1.14	21.69	4,009
BORDEAUX - TOULOUSE	26	1.39	36.15	6,682
PARIS - TOULOUSE	7	4.53	31.74	5,866
LAVAL - PARIS	10	1.63	16.28	3,010
LILLE - MARSEILLE	2	6.16	12.31	2,276
CALAIS FRETHUN - PARIS	6	1.56	9.35	1,728
CAEN - PARIS	6	1.43	8.60	1,590
ANGOULEME - PARIS	2	2.41	4.81	890
ANTIBES - PARIS	2	5.99	11.99	2,216
DIJON - LYON	4	1.07	4.26	788
MARSEILLE - TOULOUSE	4	2.30	9.20	1,700
BORDEAUX - TOURS	3	1.89	5.66	1,047
LYON-NIMES	3	1.54	4.61	852
NANTES - TOURS	6	1.06	6.36	1,176
AIX EN PROVENCE - LILLE	1	6.39	6.39	1,182
AMIENS - PARIS	6	0.71	4.25	786
MAUBEUGE - PARIS	4	4.92	4.92	910
BORDEAUX - LILLE	1	3.36	3.36	621
Total	5,664		13,879.46	2,565,520



In 2017:

ROUTES	NUMBER OF ANNUAL TRIPS	"ENVIRONMENT INDEX" RAIL TRANSPORT BY SEGMENT (IN KG OF CO2)	CARBON FOOTPRINT (IN KG OF CO2)	KM COUNTER
LYON - PARIS	1979	2.77	5481.67	1013248
BORDEAUX - PARIS	795	3.14	2498.85	461895
NANTES - PARIS	490	2.14	1049.76	194040
LILLE - PARIS	515	1.40	718.83	132870
AIX EN PROVENCE - PARIS	74	4.87	360.31	66600
AIX EN PROVENCE - LYON	82	2.10	172.12	31816
LYON ST EXUPERY TGV - PARIS	51	2.79	142.09	26265
PARIS - ST ETIENNE	38	3.09	117.39	21698
PARIS - POITIERS	48	1.80	86.21	15936
PARIS - VALENCE	25	3.34	83.45	15425
PARIS - RENNES	32	2.02	64.75	11968
LILLE - LYON	20	4.30	85.91	15880
MACON - PARIS	23	2.38	54.75	10120
CHAMPAGNE-ARDENNE-PARIS	43	0.93	40.01	7396
PARIS-ROUEN	58	0.76	43.93	8120
PARIS-TOULOUSE	13	4.53	58.94	10894
NIORT - PARIS	11	2.23	24.52	4532
MONTPELLIER - PARIS	9	4.55	40.95	7569
NANCY - PARIS	11	1.90	20.95	3872
PARIS - REIMS	19	0.93	17.68	3268
GRENOBLE - PARIS	7	3.47	24.27	4487
PARIS - TROYES	28	0.9	25.15	4648
DIJON - PARIS	13	1.7	22.15	4095
BORDEAUX - POITIERS	17	3.28	55.83	10319
ANGOULEME - PARIS	8	2.41	19.26	3560
MOULINS SUR ALLIER - PARIS	16	1.7	27.18	5024
PARIS - STRASBOURG	6	2.72	16.33	3018



LAVAL - PARIS	11	1.63	17.91	3311
AVIGNON - PARIS	5	5.43	27.16	5020
MARSEILLE - PARIS	7	4.67	32.68	6041
BESANCON – F COMTE TGV - PARIS	7	2.45	17.12	3164
LE HAVRE - PARIS	12	1.23	14.8	2736
BORDEAUX - TOULOUSE	15	1.39	20.86	3855
LORRAINE TGV - PARIS	5	2.06	10.28	1900
ANGERS - PARIS VALENCIENNES	5	1.67	8.33	1540
PARIS - TOURS	6	1.27	7.63	1410
LE MANS - PARIS	6	1.14	6.85	1266
LYON - VALENCE	11	0.57	6.25	1155
ARRAS - PARIS	8	1.08	8.61	1592
CLERMONT FERRAND - PARIS	5	2.27	11.36	2100
BELFORT – MONTBELIARD TGV -	5	2.89	14.44	2670
ANNECY - PARIS	3	3.36	10.08	1863
BORDEAUX - TOURS	4	1.89	7.55	1396
BREST - PARIS	3	3.37	10.10	1866
LYON – ST ETIENNE	27	0.32	8.62	1593
MULHOUSE - PARIS	3	2.66	7.99	1476
PARIS-TOULON	2	5.03	10.06	1860
LYON - NANTES	2	4.37	8.73	1614
PARIS- VALENCIENNES	5	1.36	6.79	1255
CAEN - PARIS	6	1.43	8.6	1590
LYON - RENNES	2	4.25	8.49	1570
LIMOGES BENEDICTINS - PARIS	4	2.49	9.98	1844
LYON - MONTPELLIER	3	1.81	5.42	1002
LYON -ROUEN	2	3.57	7.13	1318
BELFORT – MONTBELIARD TGV - LYON	4	2.16	8.63	1596
LA ROCHELLE – PARIS	2	2.59	5.18	958
BESANCON - PARIS	2	2.45	4.89	904
Total	4,613		11685.75	2160028





CARBON FOOTPRINT RELATED TO FLIGHTS

In 2013:

Segment type - Class type	Number of segments	Total distance (km)	CO2/ Passenger Kilometer (km)	CO2 emissions (kg)
Long-haul flight - Business	14	128,371	0.29	36,783
Long-haul flight - Economy	16	120,138	0.10	11,871
Long-haul flight - Economy VIP	4	37,501	0.16	5,928
Medium-haul flight - Business	9	11,652	0.17	1,928
Medium-haul flight - Economy	654	756,805	0.11	83,657
Medium-haul flight - Other	337	249,390	0.12	28,929
Short-haul flight - All	311	123,735	0.21	25,384
Total	1345	1,427,592		194,486



In 2014:

Segment type - Class type	Number of segments	Total distance (km)	CO2/ Passenger Kilometer (km)	CO2 emissions (kg)
Long-haul flight	43	361,707	0.14	48,957
Medium-haul flight	1,095	909,224	0.12	105,470
Short-haul flight	284	113,338	0.21	23,251
Total	1,422	1,384,269		177,678

In 2015:

Segment type - Class type	Number of segments	Total distance (km)	CO2/ Passenger Kilometer (km)	CO2 emissions (kg)
Long-haul flight	10	99,922	0.14	13,524
Medium-haul flight	924	752,859	0.12	87,332
Short-haul flight	368	155,189	0.21	31,837
Total	1,302	1,007,970		132,693



In 2016:

Segment type - Class type	Number of segments	Total distance (km)	CO2/ Passenger Kilometer (km)	CO2 emissions (kg)
Long-haul flight - Business	6	32,055	0.29	9,185
Long-haul flight - Economy	34	253,642	0.10	25,062
Long-haul flight - Economy VIP	2	15,660	0.16	2,476
Medium-haul flight - Business	11	16,115	0.17	2,672
Medium-haul flight - Economy	568	331,381	0.12	38,440
Medium-haul flight - Other	568	331,381	0.12	38,440
Short-haul flight - All	318	127,810	0.21	26,220
Total	1,448	1,349,605		167,388

In 2017:

Segment type - Class type	Number of segments	Total distance (km)	CO2/ Passenger Kilometer (km)	CO2 emissions (kg)
Long-haul flight	60	508,842	0.20	100,288
Medium-haul flight	1,144	1,133,023	0.17	191,311
Short-haul flight	359	155,534	0.30	46,094
Total	1,563	1,797,399		337,693



✕ PREVENTION, REDUCTION OR RECOVERY MEASURES REGARDING EMISSIONS INTO THE ATMOSPHERE, SOIL AND WATER WHICH MAY SEVERELY AFFECT THE ENVIRONMENT

Considering that SQLI business consists in providing dematerialised products and services, the company impact is very limited in this field.

✕ PROCEDURES REGARDING NOISE POLLUTION AND OTHER POLLUTION TYPES FOR SPECIFIC ACTIVITIES:

Considering that SQLI business consists in providing dematerialised products and services, the company impact is very limited in this field.

3.2.2. SUSTAINABLE USE OF RESOURCES

✕ POWER CONSUMPTION

SQLI does not relies on renewable energies. SQLI electricity consumption amouted to 2,165,544.97 kWh for year 2017.

The electricity consumption of SQLI headquarters located in la Plaine Saint Denis amounts to 394,510 kWh for year 2017 against 382,211 kWh in 2016, 533,786 kWh in 2015, 489,568 kWh in 2014, 667,712 in 2013, 855,187 kWh in 2012 and 944,449 kWh in 2011.

SQLI introduced good practices such as automatic switch-off of lights in the evening and introduction of timer lights in specific places, wich allowed to reduce the electricity consumption by 59.5% in six years for SQLI headquarters. However the impact of these good practices is relative, because the data are not calculated at constant scope and the occupied surface changed in the premises located on 268 avenue du président Wilson, La Plaine Saint Denis.



The electricity consumption for the Group French premises (except Saint Denis) in 2017 is the following:

FACILITIES	POWER CONSUMPTION
PARIS (ROCHEFORT) (ESTIMATE)	
PARIS (VILLIERS)	31 870 kwh
BOULOGNE (ESTIMATE)	20 512 kwh
LYON (ESTIMATE))	198 993 kwh
NANTES	70 680 kwh
ROUEN	56 909 kwh
PESSAC (AVENUE LEONARD DE VINCI) (ESTIMATE))	257 337 kwh
PESSAC (AVENUE DE HAUT LEVEQUE)	11 393 kwh
TOULOUSE	101 537 kwh
ROUBAIX (ESTIMATE))	13 197 kwh
ARCUEIL	25 440 kwh
LILLE	17 511 kwh



The power consumption of SQLI subsidiaries is as follows:

2017		POWER CONSUMPTION IN KWH
SQLI SUISSE	LAUSANNE	44 848 kWh
	GENEVA	19 284 kWh
SQLI MAROC	RABAT	519 488.75 kWh
	OIJDA	207 651 kWh
	CASABLANCA	13 845.22 kWh
SQLI BELGIUM	DIEGEM	20 741 kWh
WAX (BELGIUM)	GAND	30 954 kWh
SQLI SA (LUXEMBOURG)	STRASSEN	2 800 kWh
SQLI LUXEMBOURG SA	STRASSEN	0 kWh
INVENTCOMMERCE LTD	LONDON	12 770 kWh
INVENTCOMMERCE PROPRIETARY LTD	CAPE TOWN	41 546 kWh

✕ PAPER CONSUMPTION

In order to reduce the amount of printing, SQLI introduced the following measures:

- The employees are advised to avoid unnecessary printing;
- Providing recycling bins for paper next to the printers;
- use of multifunction printers (fax, photocopy...)
- setting default black-and-white printing;
- replacing private printers with collective printers;

SQLI electricity consumption amounted to 2,679 kg for year 2017.



The consumption of SQLI ESY amounted to 1,019 kg in 2017 against 1,725 kg in 2016.

In 2016, SQLI joined the Recy'go program of La Poste aimed at recycling work papers. This program has been launched in the offices of Paris, Saint Denis, Rouen, Pessac, Lyon, Toulouse and Roubaix.

As part of this program, "Eco-belles" bins have been installed next to the printers. Each employee is invited to put his useless workpapers in these bins.

Once the Eco-belles are full, they are collected by postmen and sent to a subsidiary of la Poste which specialised in paper sorting and recycling.

Paper sorting and recycling is done by people in rehabilitation in order to help them find a durable job.

The paper is given to recycling paper firms located in France, helping them to develop a sustainable business. La Poste collaborates with Copacel and commits to give the paper to paper firms located in France, with fixed prices.

By joining this program, SQLI participates in a solidary and environmental project.

A sorting and recycling program has also been introduced in Arcueil offices, with PRIVACIA firm, in charge of sorting and recycling papers and cardboard.



The paper consumption of SQLI subsidiaries is as follows:

SQLI SUISSE

2017		PAPER CONSUMPTION IN KG
SQLI SUISSE	LAUSANNE	250
	GENEVA	125

SQLI MAROC

2017		PAPER CONSUMPTION IN KG
SQLI MAROC	RABAT LOCAL	262,5 kg
	RABAT ISC	328,25 kg
	OUDJA	94,848 kg
	CASABLANCA	90 kg

SQLI BELGIUM

2017		PAPER CONSUMPTION IN KG
SQLI BELGIUM		410



WAX (BELGIUM)

2017	PAPER CONSUMPTION IN KG
WAX (BELGIUM)	15

SQLI SA (LUXEMBOURG)

2017	PAPER CONSUMPTION IN KG
SQLI SA (LUXEMBOURG)	32

INVENTCOMMERCE LTD

2017	PAPER CONSUMPTION IN KG
INVENTCOMMERCE LTD	30

INVENTCOMMERCE PROPRIETARY LTD

2017	PAPER CONSUMPTION IN KG
INVENTCOMMERCE PROPRIETARY LTD	22.5



✕ WATER CONSUMPTION

The water consumption of SQLI facilities is as follows:

The power consumption of SQLI subsidiaries is as follows:

FACILITIES	WATER CONSUMPTION IN 2015	WATER CONSUMPTION IN 2016	WATER CONSUMPTION IN 2017
PARIS (ROCHEFORT) (ESTIMATE)	200,39 m ³	214.21 m ³	214.9 m ³
PARIS (VILLIERS) (ESTIMATION)	200.10 m ³	213.90 m ³	214.6 m ³
TOULOUSE			317 m ³
LYON (ESTIMATE)	564.978 m ³	558.484 m ³	826.7 m ³
NANTES	686 m ³	559 m ³	563 m ³
ROUEN (ESTIMATE)	126 m ³	115.94 m ³	101 m ³
PESSAC (AVENUE LEONARD DE VINCI) (ESTIMATE)	240.47 m ³	290.38 m ³	671.66 m ³
PESSAC (AVENUE DE HAUT LEVEQUE) (ESTIMATE)	59.45 m ³	63.55 m ³	25.8 m ³
BOULOGNE (ESTIMATE)	79.46 m ³	84.94 m ³	85.2 m ³
ARCUEIL	310.01 m ³	331.39 m ³	540.8 m ³



(ESTIMATE)			
LILLE	6 m ³	13 m ³	44 m ³
ROUBAIX (ESTIMATE)	145 m ³	155 m ³	51.8 m ³
SAINT DENIS (ESTIMATE)	1,114.47 m ³	1,191.33 m ³	1,593 m ³

2017		WATER CONSUMPTION IN M ³
SQLI MAROC	RABAT	1 086 m ³
	OIJDA	1708 m ³
	CASABLANCA	60 m ³

2017	WATER CONSUMPTION IN M ³
SQLI BELGIUM	80 m ³

2017	WATER CONSUMPTION IN M ³
WAX (BELGIUM)	170 m ³

2017	WATER CONSUMPTION IN M ³
SQLI SA (LUXEMBOURG)	25 m ³

CONSUMPTION OF RAW MATERIALS AND MEASURES TAKEN TO IMPROVE THEIR EFFICIENCY:

Considering that SQLI business consists in providing dematerialised products and services, the company impact is very limited in this field.



USE OF SOILS

Considering that SQLI business consists in providing dematerialised products and services, the company impact is very limited in this field.

3.2.3. CLIMATE CHANGE

MAIN CAUSES OF GREENHOUSE GAZ EMISSIONS DUE TO THE COMPANY ACTIVITY THROUGH THE USE OF GOODS AND SERVICES:

Article 65 of Law n° 2010-788 of 12 July 2010 regarding the National Commitment to the environment (ENE) introduced a new obligation for French companies with more than 500 employees, to report the company total greenhouse gas emissions.

A national decree was adopted on 12 July 2011 to detail the elaboration of this report. Being concerned by this new legal obligation, SQLI contacted different providers in order to prepare the report for 2018.

As a service company, SQLI main causes for greenhouse gas emissions are related to the employees travels and the energy consumption of the company premises.

SQLI is committed to measure and report these items in the next CSR report.



SQL already collected the following data:

✕ CARBON FOOTPRINT RELATED TO TRAVELS WITHIN THE GROUP

In 2013:

GHG EMISSIONS - TRAVELS	IN KG EQ CO2
2013 SQLI - FRANCE	
TRAIN	
GHG (2013)	12,870
PLANE	
GHG (2013)	194,486
TOTAL TRAVELS	207,356

In 2014:

GHG EMISSIONS - TRAVELS	IN KG EQ CO2
2014 SQLI - FRANCE	
TRAIN	
GHG (2014)	12,119
PLANE	
GHG (2014)	177,678
TOTAL TRAVELS	189,797

In 2015:

GHG EMISSIONS - TRAVELS	IN KG EQ CO2
2015 SQLI - FRANCE	
TRAIN	
GHG (2015)	13,250
PLANE	
GHG (2015)	132,693
TOTAL TRAVELS	145,943



In 2016:

GHG EMISSIONS - TRAVELS	IN KG EQ CO2
2016 SQLI - FRANCE	
TRAIN	
GHG (2016)	13,879.46
PLANE	
GHG (2016)	167,388
TOTAL TRAVELS	181,267.46

In 2017:

GHG EMISSIONS - TRAVELS	IN KG EQ CO2
2017 SQLI - FRANCE	
TRAIN	
GHG (2017)	11,685
PLANE	
GHG (2017)	337,693
TOTAL TRAVELS	349,378

✗ CARBON FOOTPRINT RELATED TO POWER CONSUMPTION OF THE GROUP FRENCH COMPANIES

SQLI ESU

GHG EMISSION	IN KG EQ CO2
POWER - 2017:	
Emission Factor*	0.0647
Power (2017)	1,188,154
GHG (2017)	76,873.56

*The factor used to calculate GHG emissions comes from the Carbon basis.



GHG EMISSION POWER - 2017:	IN KG EQ CO2
Emission Factor*	0.0647
Power (2017)	63,463
GHG (2017)	4,106.06

*The factor used to calculate GHG emissions comes from the Carbon basis.

✘ ADAPTATION TO THE IMPACTS OF CLIMATE CHANGE

Climate change has little impact on SQLI activities, and the company didn't plan any specific measure in this field.

3.2.4. BIODIVERSITY PROTECTION

✘ PROCEDURES REGARDING BIODIVERSITY PRESERVATION OR DEVELOPMENT

Considering that SQLI business consists in providing dematerialised products and services, the company impact is very limited in this field.

3.2.5. ACTIONS TO FIGHT AGAINST FOOD WASTE

Considering that SQLI business consists in providing dematerialised products and services, the company impact is very limited in this field.



IV. ECONOMIC INFORMATION

SQLI is the French leading company for specialised services in N.T.I.C and new SAP offers.

Ensuring the success of the client projects is a priority, which is why the Group invested very early in quality and global management tools, such as CMMI approach.

4.1. INNOVATION

Since it was created, SQLI always tried to support its customers in the new technologies application. SQLI group has always been a precursor when it comes to adaptation and integration of new technologies.

Although SQLI group can't guarantee that it will always be able to quickly identify and build up knowledge for every change in technology, this skill is part of the company culture and constitutes one of its strong points.

Innovating means detecting, anticipating and experimenting in order to take the best decisions and generate relevant usages. The group is also recognized for his 6MMX innovation approach: innovating in usages, methods, ideas, interfaces and technologies.

In 2017, the group carried on new research projects in the following fields: Devops, blockchain, big data, Bots, IoT, mobility and activities related to the Linky meter.

In order to strengthen its innovative approach, which is on line with the group unique positioning on improving the companies global performance and combining marketing and technology, SQLI decided to create a new unit dedicated to digital prospective: the LAB.

This team of experts has complementary skills: Creative Technology, Innovation, strategic planification and Creative Development. These experts are strongly interested in technology innovation and the new usages which come from it.

They form the "hard core" of the LAB and their mission is to lead a community of digital experts within the Group.





4.1.1. LABEL OF INNOVATING COMPANY FROM BPIFRANCE

The innovative capacity of SQLI has been recognized by BPIFrance agency, being rewarded with the label of innovating company in September 2004, December 2007, April 2011 and May 2014.

This label proves the recognition of the company innovative products and technology, among which the development in Internet access to persons with a sensory or a motor handicap, and the Ideo solutions (IdeoSanté for the patients, IdeoProject for CMMI implementation, etc.) in 2007.

With this label, SQLI is allowed to benefit from investments by innovation funds (FCPI).

4.1.2. R&D TAX CREDIT ACCREDITATION

On 13 October 2011, SQLI received a R&D tax credit accreditation from the French Ministry for Higher education and Research for years 2011, 2012 and 2013.

This accreditation proves SQLI ability to perform research and development works.

In 2017, R&D expenses, which consisted in staff costs of researchers, operating expenses and functioning costs, accounted for about 5.7% of annual turnover.

The groups expenses in 2015 for the R&D activity in compliance with the R&D tax credit criteria, generated a R&D tax claim of 2,234 K€ registered in the Assets of the balance sheet.

4.2. TERRITORIAL, ECONOMIC AND SOCIAL IMPACT

SQLI is aware of the territorial, economic and social impact of its activity.

4.2.1. IMPACT REGARDING EMPLOYMENT AND REGIONAL DEVELOPMENT

SQLI diverse implantation on the territory and the independence of the agencies participate in the economic and social development of the whole local economic network.

The company agencies have the opportunity to attract local customers such as public entities but also to foster local employment and conclude partnerships with local companies.

4.2.2. IMPACT ON LOCAL OR NEIGHBORING POPULATIONS

SQLI local presence has a positive impact on the economy but also on the safety of goods and people.

For instance, SQLI met in 2011 and 2012 with local public entities and companies of la Plaine Saint Denis, in order to discuss employees safety in the company neighborhood.

During these meetings, some actions were proposed to improve the neighborhood safety. These propositions are still being discussed and SQLI offered to finance part of it.

4.2.3. RELATIONSHIPS WITH RELATED PARTIES

✕ DIALOGUE WITH RELATED PARTIES:

SQLI maintains a constant and transparent dialogue with shareholders, clients, suppliers and contractors.

The major accounts which represent a big part of SQLI activity are, because of their high expectations, the main driver of SQLI CSR approach.

SQLI company was listed on the stock market in 2000. As such, the company turnover is disclosed every three months (and results every half-year) through press releases.

All the information communicated by the company is also available on the Group website: www.sqli.com.

✕ SUPPORT, PARTNERSHIP AND SPONSORING ACTIONS:

DEFIS MECENOVA 2012

In 2012, SQLI participated in the "Défis Mecenova" (Mecenova challenge) organised by "IMS Entreprendre pour la Cité" association.

Created in 2011 by Jean-Noël Escoffier (partner of SQLI Group), the Défis Mecenova promote solidarity projects everywhere in France, with the participation of companies, employees and associations during an entire week.



The first edition of Défis Mecenova gathered 32 companies and more than 6000 employees, allowing to implement various solidarity actions in favor of associations (charity donation for ill children, food supply for a food bank...).

After this first success, IMS Entreprendre pour la Cité association decided to organise a second edition of Défis Mecenova which took place between 11 and 15 June 2012.

SQLI cares for solidarity and mutual assistance values and the company decided to support IMS Entreprendre pour la Cité association which organised the event.

SQLI participated in two parts of the organisation of Défis Mecenova:

- introducing skill-based sponsoring operations with IMS Entreprendre pour la Cité association;
- fundraising among SQLI employees.

Skill-based sponsoring operations with IMS Entreprendre pour la Cité association:

As part of this sponsorship, some voluntary employees shared their professional skills with the members of MS Entreprendre pour la Cité association .

SQLI employees designed and realised the communication campaign for the 2012 edition of Défis Mecenova.



The following actions were made through this partnership:

- creation of posters distributed in the participating companies and in the metro and bus network of Ile de France, thanks to a partnership with Fondation RATP;
- elaboration of a video explaining the event, published on Défis Mecenova website homepage;
- creation of online banners published on the partner medias websites such as L'Express or Terraeco.

Introduction of a fundraising event within the Group :

As part of Défis Mecenova, SQLI organised between 11 and 15 June 2012 a fundraising among the Group employees in order to help Lucie, 7 y.o., to fulfill her dream of going to swim with dolphins, and the dreams of others ill children.

The target was exceeded with more than 4000 € being raised (including the employees donation and the Group matching contribution), allowing two kids to fulfill their dream:

- Denovan was able to spend a fantastic day in Disneyland in September 2012 and
- Lucie went swimming with dolphins in November 2012.

DEFIS MECENOVA 2013

In 2013, SQLI participated again in the Défis Mecenova event.

For this new edition, SQLI decided to support ELA association which fights against degenerative diseases, and to help the people suffering from this kind of disease.

On 13 June 2013, SQLI employees also participated in the "Mets tes baskets dans l'entreprise" operation (Put your running shoes on at work). As part of the operation, each participant received a pedometer in order to count the total steps made during the day. SQLI committed to give 1 euro cent every 10 steps to ELA association.

This operation allowed to collect the global amount of 5225 euros (including the employees donation and the Group contribution) for the association.



DEFIS MECENOVA 2014

Following the success of 2013 "Mets tes baskets" association, SQLI decided to carry on this initiative for a new association: SOS Villages d'Enfants which supports orphan, abandoned and placed children.

SQLI goal was to get as many funds as possible in order to help SOS Villages d'Enfants in renovating the association older village, Busigny, located in Nord-Pas-de-Calais.

"Bougez pour SOS Villages d'Enfants" operation was made in two stages:

- fundraising among the Group employees between 16 and 20 June 2014;
- Pedometer initiative: SQLI made a donation calculated on the basis of the total steps made during the day for each employee with a pedometer on 20 June 2014. SQLI committed to give 1 euro cent every 10 steps to SOS Villages d'Enfants association. "Bougez pour SOS Villages d'Enfants" operation helped to collect 6.530 € (2.590 € of employee donation and 3.940 € by the company).

DEFIS MECENOVA 2015

In 2015, SQLI supported Le Rire Médecin with the operation "Un nez rouge pour le Rire Médecin".

Each employee was asked to make a picture with a red nose and publish it on the company intranet.

For each published photo, SQLI gave two euros to the association. This operation helped to collect 4.405 € for the association.

With this donation, the association will be able to organise circus shows for hospital children and their families.

SOLIDARITY FUNDRAISING 2016

Since 2012, SQLI supports various associations and projects every year.

In 2016, following the previous achievements, SQLI decided to support la Cravate solidaire, an association collecting work outfits in order to promote access to employment for people with limited resources.

For this operation, each SQLI employee was invited to donate used work outfits.



These outfits will be redistributed by the association as part of 'Coup de pouce' workshops. During these workshops, the participants are being coached by image consultants and receive a work outfit. They can also perform a mock job interview and receive feedback, before being photographed by a professional to put their picture on their resume.

For each kg of donated outfits, SQLI committed to pay 10 euros to la Cravate solidaire.

The outfits and accessories which can not be used by the association (non-professional outfits or damaged clothes) have been kept and distributed to poor people.

In the end, 624 kg of outfits have been donated, including 274 kg of professional outfits for la Cravate solidaire and 350 kg of other clothes given to poor people.

This operation helped to collect 4.200 € for the association.

LIVE FOR GOOD

In 2016, SQLI decided to support Live for Good association which helps young social businessmen to achieve their projects, especially with the Prix Gabriel annual competition.

Live for Good introduced this competition in 2016 in order to give entrepreneurs younger than 26 y.o. the means to carry out their social or environmental project.

Live for Good is an accelerator of developed projects which gives the winners of Prix Gabriel a series of resources:

- an individual financial prize;
- the integration in a professional social incubator called the Social Factory;
- mentoring action: experts supervise the participants and share their knowledge;
- an access to Microsoft Azure cloud technology platform allowing the candidates to perform the digital realisation of their project



As part of this operation, SQLI committed to make all the company digital expertise available to Live for Good, with a partnership covering different fields:

- Digital expertise: a team is in charge of improving ergonomics and user interface of the association website. SQLI also invited the association two project managers in the Group headquarters to help them perform their mission;
- Support of the candidates and association members;
- Communication aimed at promoting Live for Good association, its mission and the Prix Gabriel competition.

SQLI purpose is to help Live for Good to recruit candidates for the competitions and mentors for the mentoring operation.

OPERATION UN MOIS SANS TABAC

In line with supporting actions for La Cravate Solidaire and Live for Good associations, SQLI decided to participate in the "Moi(s) sans tabac" (Tobacco-free month) operation organised by l'Agence Nationale de Santé Publique in November 2016.

In November 2016, l'Agence Nationale de Santé Publique organised many events (medical consultations to help quit smoking, sport challenges...) in different places (communal areas, recreation areas, shopping areas, within the company...) in order to support the participants.

SQLI decided to participate in order to raise awareness among the staff on this public health issue and to help people who want to quit smoking.

SQLI took the following actions:

- creation of a "Moi(s) sans tabac" intranet page in order to share tips and advice, share achievements and difficulties, organise local events such as sport sessions (running sessions, football games) or challenges;
- distribution of "Moi(s) sans tabac" kits including a preparation brochure, a 30 days agenda with daily advice, a memo disk helping to calculate savings;
- organisation of animations during the event;
- information of partners regarding the news and updates related to the event.



NOS QUARTIERS ONT DU TALENT

In 2017, SQLI decided to support Nos Quartiers ont du Talent (NQT) association, whose mission consists in promoting the employment of young graduates coming from sensitive neighborhoods, rural areas and disadvantaged social backgrounds.

NQT is an public interest association with social focus.

In order to support the association, SQLI gives to employees with at least 8 years of experience the opportunity to mentor a young graduate.

As part of this mentorship, SQLI employees offer advice on recruitment tools and company customs, and share their knowledge and experience to help the graduates create their network.

SQLI employees who don't have the necessary experience can help the young graduates with the organisation of workshops on resumes and motivation letters.

SPONSORING OF FUND-RAISING CAMPAIGNS

SQLI Group invites his employees to take solidarity initiatives and sponsors such initiatives.

In 2011, SQLI sponsored the SandSisters team (n° 196) with Manon Legaz (SQLI Toulouse) and her sister Fanny Legaz in the Roses des Sables Trophy.

Created in 2000, the Roses des Sables Trophy is a competition dedicated to adult women eager for adventure and discovery.

The Roses des Sables Trophy is a competition similar to the African rallies.

On board of a 4WD, a buggy, a quad or a motorbike, the teams must rally the next stage with a roadbook, a map and a compass, and go through the different checkpoints in Morocco desert.

The Trophy includes different orientation and dune crossing challenges, with a final marathon (two days in total autonomy).

The Trophy organises the transfer of donations for underprivileged populations: school materials, sanitary supplies, photovoltaic systems...



X OUTSOURCING AND SUPPLIERS

SQLI invites each of its suppliers and contractors to help the company apply its innovative and voluntary sustainable development policy.

SQLI has about 150 contractors representing 14.3 millions €, 10% of its annual turnover.

SQLI gives priority to suppliers with a low impact on the environment (European Eco label, environment NF, recycled products).

As part of its global purchase policy, SQLI decided to prefer the "Commerce équitable" label helping the small producers to get a fair remuneration for their work.

The "Commerce équitable" label appears on hot beverage distributors within the company.

SQLI promotes the enforcement of OIL main conventions with suppliers and controls the respect of fundamental human rights.

ADOPTION OF A BUSINESS ETHICS CHARTER

SQLI image mainly relies on the behaviours and actions of each of its partners and employees. Each of them individually participates in actions in line with SQLI commitments enforcing its social, societal and environment policy. The company integrity values help it to conduct its activities with a responsible, transparent and ethical orientation with the view to achieve long-term development.

SQLI commits to strictly observe law and regulations regarding:

- anti-competition principles;
- corruption and fraud;
- rules related to intellectual property;
- labour rights;
- use of outsourcing.



Suppliers and contractors must observe ethical rules and comply with fundamental principles related to sustainable development (Human rights, child labour, clandestine work, confidentiality, intellectual property, business corruption, environment footprint).

SQLI attempts to share all its commitments with its suppliers and contractors.

The company elaborated a Business ethics charter allowing to share SQLI social, societal and environmental commitments with all the suppliers.

Before contracting any commercial relationship, SQLI controls that each supplier commits to respect SQLI Business ethics charter, agrees to promote sustainable development and autorises SQLI to perform audits.

Any violation of one of the charter principles can lead to the termination of the commercial relationship with the supplier.

✕ FAIRNESS OF COMMERCIAL PRACTICES

OTHER ACTIONS TAKEN IN FAVOR OF HUMAN RIGHTS

DECLARATION ON FUNDAMENTAL SOCIAL RIGHTS:

On 27 January 2005, SQLI adopted a declaration on fundamental social rights.

With this declaration, SQLI commits itself in favour of equal opportunities between employees, freedom of speech, team spirit and training actions.

Regarding the environment, SQLI committed to control energy consumption, optimise natural resources use and prefer renewable energies.

As part of its global purchase policy, SQLI decided to select the "Commerce équitable" label helping the small producers to get a fair remuneration for their work.



UNITED NATIONS COVENANT:

In March 2012, SQLI joined the United Nations Covenant.

By joining the Covenant, SQLI shows its commitments in favour of social and environment responsibility.

SQLI supports and applies the Covenant ten fundamental principles related to Human rights, labour rights, environment and fight against corruption.

ANTI-CORRUPTION MEASURES

As a member of the Global Covenant whose tenth principle is dedicated to the fight against corruption, SQLI committed to implement and promote the good practices recommended by the committee dedicated to the fight against corruption.

The Group employees are invited to act against all kind of corruption, including extortion and bribery.

There has been no reported act of corruption within the company since its creation.

ACTIONS TAKEN TO PROMOTE HEALTH AND SAFETY OF CONSUMERS:

SQLI takes all the necessary measures to guarantee the protection of confidential information and client private data.

The risks related to data processing are relatively limited for the company, firstly because commercial contract templates exclude any responsibility in that manner, and secondly because SQLI is specialised in the development of specific solutions whose intellectual property rights are entirely transferred to the clients, which avoids any problem in terms of license and intellectual property protection.

METHODOLOGICAL NOTE:

The company CSR report offers an objective description of SQLI global performance in this field.



This report is elaborated by SQLI legal department which centralises all information communicated by intern departments, such as HR for social information, but also by external providers using measurement tools.

The report elaboration is based on data collection and monitoring. SQLI relies on a series of indicators to measure its social, environmental and societal performance.

REPORTING SCOPE

Information presented in section "Social Responsibility" covers:

- SQLI French entities within Economic and Social Unit (ESU) including the following companies: SQLI, Eozen France, WAX INTERACTIVE, WAX INTERACTIVE LILLE, ECOMMERCE4U. These companies represent 65% of the Group total workforce.
- ASTON INSTITUT, a French subsidiary of SQLI,
- the following foreign subsidiaries: SQLI MAROC, SQLI SUISSE, SQLI BELGIUM, WAX BELGIQUE, SQLI LUXEMBOURG SA, SQLI SA (Luxembourg), INVENTCOMMERCE LTD, INVENTCOMMERCE PROPRIETARY LTD.

The information presented in section "Environment-related information" cover the French sites for business trips, energy consumption and paper.

ENVIRONMENTAL REPORTING METHODS

Electricity bills sent by EDF are used to calculate the electricity consumption of the company headquarters and the sites of Villiers, Nantes, Rouen, Toulouse, Lille and Arcueil.

For the other sites (Paris, Boulogne, Lyon, Bordeaux and Roubaix), the energy consumption is integrated in the company expenses. An estimate has been made based on the average consumption per sq.meter of the other sites: 74.86 kWh per sq.meter (based on the total electricity consumption of the sites for which real consumption data were available, and the total surface (901 234/ 12 038.61).



SQLI account extracts provided by the Group suppliers are used to calculate SQLI ESU paper consumption (thanks to the supplier invoices and extracts from account books of Fiducial) and CO2 emissions generated by the employees travels (thanks to extracts provided by Egencia, which manages business trips within SQLI ESU).

SOCIAL REPORTING METHODS

The following terms have the following meanings in the present report:

- Staff/workforce: total number of employees (physical persons) with a work contract (temporary, permanent or apprentice) at 31 December 2017.
- Absenteism: number of days off taken by employees for illness, work accident, maternity leave, authorised leave or other (paternity leave, for instance).

The indicators chosen by the Group are meant to comply with the provisions of articles L.225-102-1, R.225-105 et R.225-105-1 of the Commercial Code.



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Annexe 2. TABLE OF CONCORDANCE WITH ANNUAL FINANCIAL REPORT

The following table helps to understand which information is required by the FMA, with regards to the annual financial report, in compliance with Article 212-13 VI of the FMA rule.

Information to be included in the annual financial report	Related chapters or paragraphs in the present Reference Document
Certification of the person in charge of the Document	12.
Management report	
- Analysis of results, financial situation and risks related to the controlling company and the consolidated group (art. L.225-100 and L.225-100-2 of the Commercial Code)	3 1. – 3 2. – 4 1 1. – 4 1 3. – 4 1 4. – 4 2 1. – 4 2 2. – 4 2 4. – 4 3 4. – 4 6. -9 - 10
- Information related to capital structure and to the factors which could have an impact in case of public offer (Article L.225-100-3 of the Commercial Code)	18 1. – 18 4 2.
- Information related to share redemption (art. L.225-211, al.2 of the Commercial Code)	18 1 4. – 21 1 3
Chairman report on the Executive Board functioning and the internal control procedures (article L 225-37 of the Commercial Code)	16 5 1.
Financial statements and reports	
- Annual accounts	20 1.
- Report of the statutory auditors on the annual accounts	20 4 1.
- Consolidated accounts	20 3.
- Report of the statutory auditors on the consolidated accounts	20 4 2.
- Statutory auditors fees	2 3.



Annexe 3. TABLE OF CONCORDANCE WITH THE MANAGEMENT REPORT

N°	Information	Reference
I	Management report	
1	Situation and activity of the Company, its subsidiaries and the other companies under control during the year	Chapter 3 & 6
2	Modifications brought to the presentation of the accounts and the evaluation procedures applied in the past years	Chapter 20 (paragraphs 20.1.4. et 20.3.5.)
3	Activity results of the company, its subsidiaries and the companies under control	Chapter 9
4	Key indicators of financial results	Chapter 3 (paragraph 3.1.)
5	Analysis of the business, results and financial situation evolution	Chapter 9 & 10
6	Progress made and problems encountered	Chapters 3, 4 & 6
7	Description of the main risks and questions faced by the company (included the exposure to financial risks)	Chapter 4
8	Indications on the use of financial instruments, objectives and policy of the company regarding the financial risks control	Chapter 4 & 10
9	Main events occurred since the accounts closing date	Chapter 12
10	Expected evolution of the company and perspectives	Chapter 13
11	Activities in R&D	Chapter 11
12	List of mandates and functions exercised in every company by every managing agent during the year	Chapter 14
13	Total remuneration and advantages given to every managing agent during the year	Chapter 15
14	All the commitments taken by the company for its managing agents, consisting in remuneration, compensations or advantages due or likely to be due after the intake, the ending or the change of these functions	Chapter 15 & 17
15	Transactions related to the company securities made by the head managers	Chapter 17
16	Key indicators related to the Environment and the social context	Chapter 4 & 17
17	Social information :	Chapter 17
18	Participation of employees to the share capital	Chapter 17 (paragraph 17.3.)
19	Information on the Environment :	Chapter 4 (paragraph 4.3.2.)
20	Information on the technological risks prevention policy, the ability of the company to protect its responsibility with goods and persons related to classified installations, and the predicted means to ensure the management of the victims in case of technological incident for which the company is responsible	N/A



N°	Information	Reference
21	Participation in companies established in France and in which SQLI owns more than 1/20, 1/10, 1/5, 1/3, ½ or 2/3 of the capital or voting rights	Chapters 5 & 7
22	Alienations of shares occurred in order to regularize the crossed participations	SO
23	Natural persons and corporate bodies holding directly or indirectly more than 1/20, 1/10, 1/5, 1/3, ½ or 2/3 of the capital or voting rights of the company in the General Assemblies	Chapter 18
24	Warnings or fines for antitrust practices	SO
25	Elements likely to have an impact in case of public offer	Chapter 18 (paragraph 18.4.1.)
26	Governance system of the company (only in case of change)	Chapter 16
27	Calculation criteria and results of the adjustment of conversion or exercise basis of financial securities giving access to the capital and stock options	Chapter 21
28	Information on buy-back programs	Chapter 21 (paragraph 21.1.3.)
29	Table of current delegations regarding capital increases	Chapter 21 (paragraph 21.1.5.)
30	Table of the Company results in the last 5 years	Chapter 20 (paragraph 20.1.5.)
31	Amount of dividends distributed in the last 3 years	Chapter 20 (paragraph 20.7.)





SQLI – 166, rue Jules Guesde – 92300 Levallois-Perret

www.sqli.com
