ANNUAL REPORT (ABSTRACT)

2019

Commit, grow, share, **together>**

GROUPE crit

www.groupe-crit.com

Contents

MESSAGE FROM THE CHAIRMAN

Dear shareholders,

The start of 2020 finds us living through troubled times and facing up to an unprecedented economic and public health emergency. However, before addressing that further I would like to look at the excellent performances delivered by our Group in 2019.

Following on from an excellent year in 2018, which came after a record-breaking 2017, we maintained a high level of business in 2019 with revenue of €2.5 billion while improving our operating margin to 6.8%*.

Our strategy, focused on improving the operational performance of our businesses, has proven its worth.

Revenue from temporary staffing and recruitment remained high at over €2 billion as we delivered a high-quality operational performance.

We demonstrated our resilience in France by recording only a slight downturn in business despite a range of unfavourable circumstances. Against this backdrop, we are more than satisfied with the increase in operating margin despite the significant impact caused by the abolition of the CICE tax credit.

In 2019, we gained new ground in each of our strategic areas: regional network quality and client proximity, service offering scale-up, diversity of sector positioning, temporary employee career stabilisation, strengthening of CSR commitments and digitisation strategy.

(*) after application of IFRS 16

We also achieved our objective of increasing our margins on international markets. After significantly increasing our profitability in the United States with a gain of 110 basis points in 2018, our operating margin improved by a further 60 basis points despite a historically tight US job market. This was one of our most satisfying achievements of the year.

Just as important was the performance of our airport services division which had another excellent year. Our businesses confirmed their potential by posting growth of over 7%. This performance is particularly noteworthy as it follows a remarkable year in 2018 with organic growth of almost 12%. Operating performance was excellent again with a margin of over 11%* for the year.

2019 was also a year in which we significantly strengthened our financial position with over €622 million of equity and net cash of €222 million, the result of a policy that has continuously combined caution with long-term planning over a number of years.

The performances achieved in 2019 are a major asset that we can leverage to face up to this difficult start to the year, rocked by the COVID-19 pandemic.

The outlook for our Group is embedded within the context of a global economy that has been severely impacted as the epidemic continues to spread. The lockdown measures introduced by the French and other governments brought our momentum to a sudden halt in mid-March. Since then, we have taken a range of exceptional economic and health and safety measures enabling us to adapt the Group and each of our subsidiaries to the new situation. With the primary concern of safeguarding the health of all our employees, we have implemented service continuity plans for our clients and have applied cost reduction measures accordingly.

At the time of writing it is not yet possible to quantify the impact of this crisis on our results. Although the measures taken by governments in the regions in which we operate have undoubtedly provided financial support to the economy and therefore our Group, there remain too many uncertainties regarding the extent and duration of the effects of the crisis to assess the financial consequences accurately.

In view of the caution necessitated by the current situation and in the interests of solidarity and preserving resources, your Board of Directors has opted to waive distribution of the dividend that was to be proposed to the Annual Shareholders' Meeting on 5 June 2020.

I have no doubt that the remarkable mobilisation of our teams, the strength of our fundamentals, our adaptability and resilience, our robust financial structure and our considerable financing capacity are key assets that will enable us to overcome this crisis and return to a path of sustainable growth as quickly as possible.

Claude Guedj
Chairman and Chief Executive Officer

Management and supervisory bodies

BOARD OF DIRECTORS

- **Claude GUEDJ**
  Chairman
- **Yvonne GUEDJ**
  Director
- **Karine GUEDJ**
  Director
- **Nathalie JAOUI**
  Director
- **Valérie LEZER CHARPENTIER**
  Director representing the employees

EXECUTIVE MANAGEMENT

- **Claude GUEDJ**
  Chairman and Chief Executive Officer
- **Nathalie JAOUI**
  Executive Vice President, President of the Temporary Staffing and Recruitment Division
- **Karine GUEDJ**
  Executive Vice President
- **Renaud LEJEUNE**
  Chief Financial Officer
- **Jean-Pierre LEMONNIER**
  Director of Human Resources

REGULAR STATUTORY AUDITORS

PricewaterhouseCoopers Audit
Represented by Dominique MÉNARD, member of the Versailles Institute of Statutory Auditors
63 rue de Villiers, 92200 Neuilly-sur-Seine

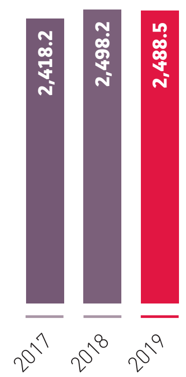
EXCO Paris Ace
Represented by Arnaud DIEUMEGARD, member of the Paris Institute of Statutory Auditors
5 avenue Franklin Roosevelt, 75008 Paris

ALTERNATE STATUTORY AUDITORS

Mr Emmanuel CHARRIER
Member of the Paris Institute of Statutory Auditors
5 avenue Franklin Roosevelt, 75008 Paris

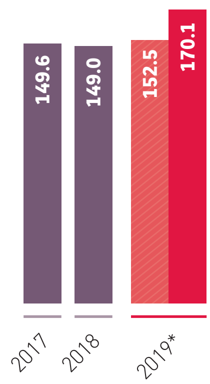
Key figures

REVENUE
(€m)



EBITDA
(€m)

Comparable
After impact of IFRS 16

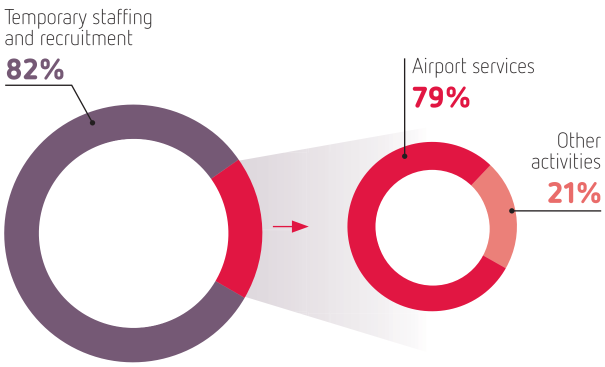


NET INCOME GROUP SHARE
(€m)

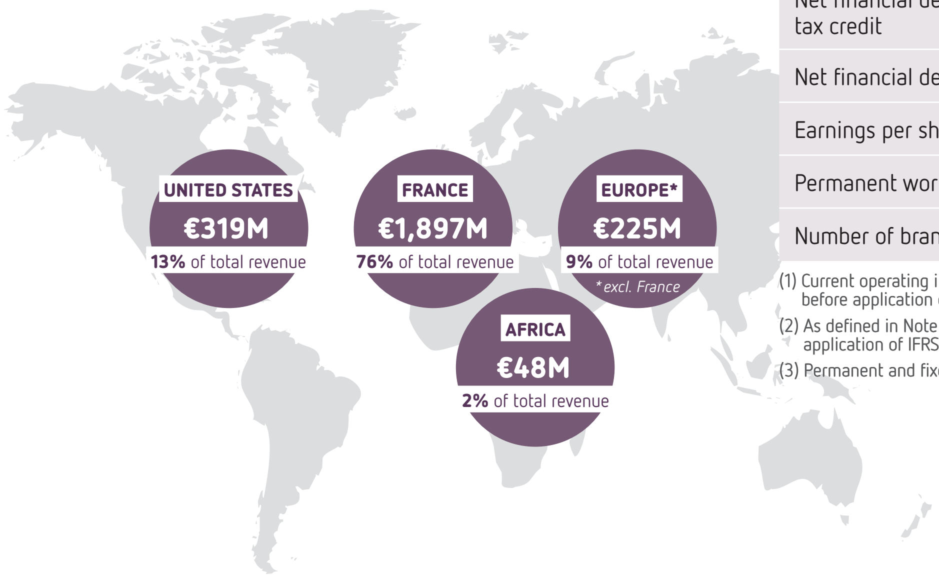
Comparable
After impact of IFRS 16

* IFRS 16 is applied from 1 January 2019 by using the simplified retrospective approach without restatement of the previous accounting period. For the sake of comparison with 2018 figures, 2019 figures are also presented before the application of IFRS 16.

BREAKDOWN OF 2019 REVENUE BY SEGMENT
(before inter-segment eliminations)



BREAKDOWN OF 2019 REVENUE BY GEOGRAPHICAL REGION
(before inter-segment eliminations)



€000	***2019***	*2018*
CONSOLIDATED REVENUE	**2,488,481**	**2,498,217**
Of which: Temporary staffing division	2,034,399	2,062,390
Airport services division	381,131	355,920
Other activities division	99,191	103,732
Inter-segment eliminations	(26,239)	(23,826)
EBITDA(1)	170,056	149,033
Current operating income	128,343	125,731
Operating income	129,163	125,672
Net income	73,151	90,828
Net income (Group share)	72,981	90,936
Shareholders' equity (Group share)	618,757	552,426
Net financial debt before deduction of CICE tax credit	(84,478)	(12,453)
Net financial debt *(2)*	(221,612)	(222,767)
Earnings per share *(€)*	6.58	8.19
Permanent workforce at year-end *(3)*	9,023	8,719
Number of branches	582	574

(1) Current operating income before net amortisation and depreciation, €152.5 million in 2019 before application of IFRS 16

(2) As defined in Note 4.4.1 to the consolidated financial statements, €289.9 million before application of IFRS 16

(3) Permanent and fixed-term contracts

A BUSINESS SERVICES GROUP

HISTORICAL MILESTONES

1962

FOUNDING OF GROUPE CRIT

Claude Guedj founded the Centre de Recherches Industrielles et Techniques (CRIT), a design and research agency serving the mechanical, electrical and information technology industries.

1972 - 1998

FIRST LAW ON TEMPORARY STAFFING
FOUNDING OF CRIT INTÉRIM

The Group developed its temporary staffing network through internal and external growth, established its human resources training centre and obtained ISO classification and CEFRI certification in the nuclear industry.

1999 - 2000

INITIAL PUBLIC OFFERING

In 1999, Groupe Crit was listed for trading on Euronext Paris Second Marché. In 2000, the Group acquired Groupe Europe Handling and City Jet Handling, which specialise in airport services.

2001

NO. 4 IN TEMPORARY STAFFING

Groupe Crit was selected by Forbes as one of the top 200 small caps in the world. Europe Handling was chosen as the airport service provider at Roissy CDG2 airport (Paris). Groupe Crit expanded its temporary staffing network in Switzerland. At the end of 2001, Groupe Crit acquired the Euristt group. This strategic acquisition enabled the Group to become No. 4 in the temporary staffing industry in France and gave it a foothold in Germany and Spain.

2002

40 YEARS OF GROWTH

Groupe Crit celebrated 40 years of growth and crossed the €1 billion revenue mark. Thanks to the acquisition of Euristt, CRIT Intérim emerged as the largest independent group for temporary staffing in France.

2003 - 2005

CRIT EXPANDED ITS SERVICES TO INCLUDE THE RECRUITMENT OF PERMANENT AND FIXED-TERM EMPLOYEES

CRIT became the first QSE-certified temporary staffing company in France and expanded its services to include recruitment of permanent and fixed-term contract employees; it created a temporary staffing subsidiary in Morocco and founded Congo Handling, an airport service subsidiary in Congo.

2006 - 2010

LAUNCH OF OPERATIONS IN SPAIN AND GABON

The Group stepped up its growth rate and reinforced its European temporary staffing division with the acquisition of two networks in Spain. The airport services division signed an exclusive licence to provide airport services in Gabon and extended its positions in France at Roissy CDG and Orly airports.

2011 - 2012

A NEW INTERNATIONAL DIMENSION

Groupe Crit exceeded €1.5 billion in revenue and established operations in the United States, the world's largest temporary staffing and recruitment market. The airport services division launched operations at London City Airport.

2013 - 2018

ACQUISITIONS IN THE US STAFFING SECTOR, THE UK AIRPORT SERVICES SECTOR AND BUSINESS AVIATION IN FRANCE

Groupe Crit posted record earnings and generated revenue of €2.5 billion. It made numerous acquisitions in the US staffing sector. It extended the scope of its airport services operations in France at Roissy CDG3 and Nice Côte d'Azur, acquired Cobalt Ground Solutions, the third largest airport services provider at London Heathrow and expanded its business aviation activities in France at Paris-Le Bourget airport.

2019

SOLID PERFORMANCE

Groupe Crit maintained high business volumes in 2019 within a more demanding environment and delivered a solid performance in terms of profitability.

Thanks to an extremely robust balance sheet and borrowing capacity, with €615 million of available funds the Group has significant means at its disposal to face up to the situation resulting from the COVID-19 pandemic that began in early 2020.

Overview

CRIT, A MAJOR PLAYER IN HUMAN RESOURCES AND BUSINESS SERVICES

Ranked 19th worldwide[1] and the top independent group in France in temporary staffing and recruitment[2], leading airport services provider in France and top 10 worldwide, Groupe Crit provides its clients with the human resources and professional skills they require – from major clients to small and medium-sized businesses and industries.

1 Source: Staffing Industry Analysts
2 Source: Company

TEMPORARY STAFFING AND RECRUITMENT: GROUP RANKED 19th IN THE WORLD

With an international network spanning 582 employment agencies in Europe, Africa and the United States, the Group is the human resources and HR solutions partner of 30,000 companies for their permanent and temporary employee recruitment needs and supports over 260,000 employees in their career paths.

AIRPORT SERVICES: A GLOBAL TOP 10 OPERATOR

Groupe CRIT has earned the trust of 128 international airlines, which it serves in France, Ireland, the United Kingdom, Africa and the United States.

ENGINEERING AND MAINTENANCE: PARTNER TO LARGE INDUSTRIES FOR THEIR PROJECTS

The Group is involved in a number of major industrial and technological projects relating to engineering, advanced technology consulting, installations and industrial maintenance.

€2.5 billion
revenue in 2019

Operations in
13 countries

9,000
permanent employees

53,200
temporary employees (FTE)

TEMPORARY STAFFING AND RECRUITMENT 82%*

FRANCE 76%
- CRIT
- AB Intérim
- Les Compagnons
- Les Volants

INTERNATIONAL 24%
- PeopleLink Group (United States)
- CRIT Intérim (Switzerland)
- CRIT España (Spain)
- CRIT Empresa de Trabalho Temporàrio (Portugal)
- Propartner (Germany)
- CRIT Morocco
- CRIT Tunisia

AIRPORT SERVICES 15%*

FRANCE 75%
- Groupe Europe Handling (Roissy, Orly, Nice Côte d'Azur)
- Advanced Air Support International (Paris-Le Bourget)

INTERNATIONAL 25%
- Sky Handling Partner (Ireland)
- Cobalt Ground Solutions (United Kingdom - London Heathrow)
- Sky Handling Partner UK (United Kingdom - London City Airport)
- Sky Handling Partner USA (United States - Boston)
- Congo Handling (Brazzaville, Pointe Noire, Ollombo - Congo)
- Sky Handling Partner Sierra Leone (Freetown)
- ASAM** (Mali)

OTHER BUSINESS SERVICES 3%*

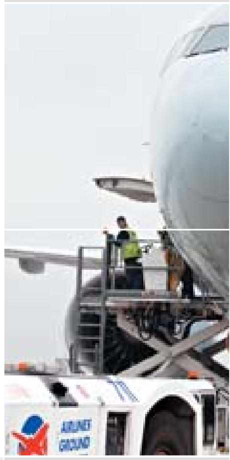
ENGINEERING AND INDUSTRIAL MAINTENANCE 78%
- Maser Engineering
- ECM

OTHER SERVICES 22%
- RHFormation
- Peopulse (HR digitisation)
- Otessa (hospitality services)

* as a percentage of revenue before inter-segment eliminations

** technical assistance services

The full list of the Group's subsidiaries and equity investments is given in Note 6.4 to the consolidated financial statements (consolidation scope)



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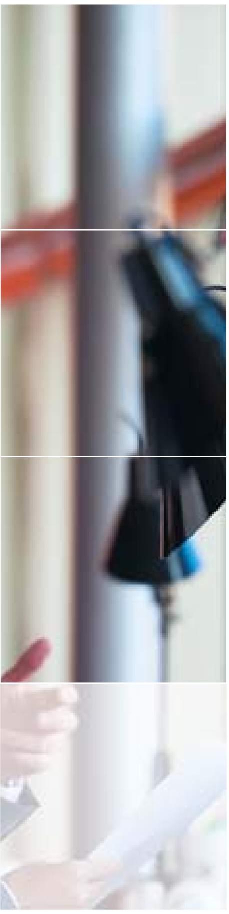
PRESENTATION OF THE GROUP AND ITS BUSINESS



1. PRESENTATION OF THE GROUP AND ITS BUSINESS

1.1 TEMPORARY STAFFING AND RECRUITMENT, THE GROUP'S CORE BUSINESS

As a pioneer in the field of human resource services for corporate clients, Groupe Crit holds a very strong position in this business segment. Leading independent group in France[1] for temporary staffing and recruitment and 19th group worldwide[2], Groupe Crit is a major player in human resources with an extensive service offering, providing increasingly specialised services in recruitment, job placements, training, consulting and employability support.

The Group has also built strong positions in the airport services sector in France and overseas and is developing an engineering and maintenance service offering dedicated to major industry and technology projects.

Temporary staffing and recruitment is the Group's core business, its very foundation and driver of growth, and is conducted under the CRIT brand in France and Europe and the PeopleLink brand in the United States. This division accounted for 81.8% of the Group's business in 2019 (before inter-segment eliminations).

The airport services division is the second largest source of growth for the Group, accounting for 15.3% of business in 2019.

The "other services" division mainly provides engineering and maintenance services.

Thanks to its development policy, which focuses on internal and external growth, the Group has acquired considerable reach in its core business. Leading independent group in temporary staffing in France[1], 19th group worldwide[2], with 582 branches including 419 branches under the CRIT banner in France, Groupe CRIT has a well-established regional network throughout France and key positions overseas, enabling it to meet the human resources needs of 30,000 companies in France and abroad.

1 Source: Company
2 Source: Staffing Industry Analysts

THE GLOBAL TEMPORARY STAFFING MARKET

In a constantly evolving global economy characterised by an increasing drive for responsiveness and productivity to improve competitiveness, a flexible employment market is an economic necessity. As a result, thanks to the flexibility it provides, the scope of services and expertise on offer (recruitment, training, consulting, outsourced HR solutions, etc.) and the related in-depth knowledge of employment catchment areas, temporary staffing has become a genuine human resources management tool that is an integral part of companies' HR strategies. At the same time, it has become a major channel providing access to employment. The global temporary staffing and recruitment market thus generated a total turnover of €416 billion in 2018, a slight increase of 0.7% (source: SIA Global Staffing Industry Market estimates and November 2019 Forecast). The United States and Europe respectively accounted for 30% and 41% of the global market in 2018.

GLOBAL REVENUE IN THE TEMPORARY STAFFING MARKET: €416 BILLION IN 2018[1]

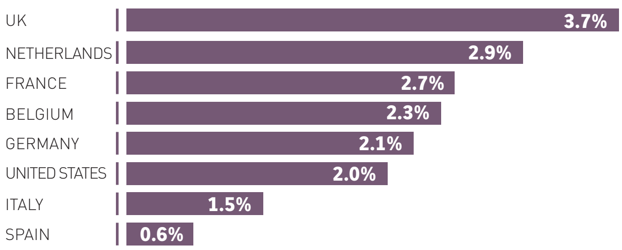
Ranking of the top 16 markets worldwide in 2018[1]

(€bn)

1	United States	125.6	9	China	11.7
2	Japan	55.2	10	Switzerland	8.6
3	United Kingdom	37.1	11	Belgium	6.6
4	Germany	27.1	12	Canada	6.1
5	France[2]	21.8	13	India	4.9
6	Netherlands	21.5	14	Spain	4.4
7	Australia	12.9	15	South Africa	3.7
8	Italy	12.9	16	Sweden	3.5

[1] Staffing Industry Analysts
[2] Prism'emploi - 2019 estimate

Proportion of temporary staffing among the working population in the United States and Europe (in 2018)*



* Source: Prism'emploi and staffing industry analysts

In 2009, the temporary staffing segment, among the first to be hit by the global economic crisis, suffered a decline of 16% in global revenue, one of the sharpest falls in its history. Closely linked to the state of the economy and used as an adjustment variable by companies in times of crisis or recovery, over recent years the temporary staffing market has benefited from an improving economic situation in Europe and sustained buoyancy in Asia and the Americas, particularly in the United States, a market in which Groupe CRIT acquired a foothold in 2011.

Following the deceleration of economic activity in the eurozone in 2018 and less robust economic growth in the United States at the end of that year, 2019 confirmed the depressed macroeconomic environment in Europe with a slowdown in the region's temporary staffing sector and a continued downward trend against a backdrop of full employment in the US market, which had previously remained stable.

During the first quarter of 2020, the spread of coronavirus brought global economies to a shuddering halt and confined some 3.9 billion people to their homes, i.e. half of the global population (source: AFP, 2 April). The Organization for Economic Cooperation and Development (OECD) estimates that each month of the lockdown will result in a 2-percentage point fall in the gross domestic product (GDP) of the world's major economies (OECD, 25 March). In its most recent forecasts (2 April 2020), Fitch ratings agency expects a more severe global recession than predicted. The speed with which the coronavirus pandemic is evolving has led the agency to drastically curb its GDP forecasts. Global economic activity will decline 1.9% in 2020, with the GDP of the United States, the eurozone and the United Kingdom down 3.3%, 4.2% and 3.9% respectively.

Eurozone indicators are trending towards the red. Markit's flash index of 24 March indicates than activity plummeted from 51.9 in February to 30.2 in March. Economists explain that the previous record low of 36.2 posted by the PMI (Purchasing Managers' Index) occurred during the global financial crisis in February 2009. "Business activity across the eurozone collapsed in March to an extent far exceeding that seen even at the height of the global financial crisis. Steep downturns were seen in France, Germany and across the rest of the euro area as governments took increasingly tough measures to contain the spread of the coronavirus."

The full or partial lockdown measures introduced by governments - the only means of halting the spread of the virus - first in China and then in Europe and the United States, brought the employment market to a sudden halt. Just as global economic forecasts are being constantly updated as the epidemic evolves, so is the outlook for the temporary staffing sector, which is highly correlated to GDP growth.

THE UNITED STATES, LEADING TEMPORARY STAFFING MARKET WORLDWIDE

With a market estimated at $148 billion in 2018 and an average of 3.1 million full-time equivalent temporary employees per week, i.e. over 2% of the working population (source: Staffing Industry Analysts November 2019 Forecast and ASA Quarterly Staffing employment and sales survey), the United States is the leading temporary staffing market worldwide and is around 6 times the size of the French market. Apart from size, the US temporary staffing market differs from the French market in that it is highly fragmented, with over 10,000 staffing companies operating throughout the country and the three leading companies in the sector accounting for less than 15% of the market share, compared to over 65% in France. This situation offers significant expansion opportunities to players operating in the United States.

Up 3% in 2019, Staffing Industry Analyst's forecast of identical growth in the US temporary staffing sector in 2020 is no longer applicable in view of the spread of COVID-19, which first hit the United States in March 2020. According to the most recent estimates of the US Bureau of Labor Statistics, the number of temporary jobs in the United States fell by 49,500 to reach 2.89 million in March, while overall employment fell by 701,000. However, these figures reflect only the first stage of the COVID-19 crisis in the United States. "Given the timing of the survey reference periods in this month's jobs report, the magnitude of job losses for 'March' only reflects the beginning of the pandemic", said Tony Gregoire, Director of Custom Research at SIA.

THE FRENCH TEMPORARY STAFFING MARKET: A MODEL IN EUROPE

With sales of €21.9(*) billion in 2018, the French market, Groupe Crit's main market, is the fifth largest temporary staffing market worldwide and the third in Europe.

Temporary staffing has become a mature industry. However, its development has been based on relatively different foundations and principles in each country. Thus, the legal environment for the industry was free-market in English-speaking countries and regulated in Latin countries. These significant disparities are converging towards a harmonised European model to establish a genuine legal and social status protecting the temporary employee while expanding and relaxing the conditions under which businesses can use temporary workers. In this sense, the European Directive on temporary agency work, adopted in 2008 and applicable by Member States since December 2011, has been phased in by the EU Member States. It establishes a protective framework based on the principle of equal treatment (already implemented in France for many years)

FRANCE IS RECOGNISED AS ONE OF THE MOST SOCIALLY ADVANCED COUNTRIES IN THE FIELD OF TEMPORARY STAFFING. THE BUSINESS HAS DEVELOPED WITHIN A STRICT REGULATORY AND LEGISLATIVE FRAMEWORK

This legislation has been supported for over twenty years by proactive steps taken by the profession at large, giving temporary workers a genuine status within companies, one of the most protective in Europe. The French legislative model sets a temporary employee's pay at the same level that an employee with the same qualifications would receive if hired for the position after a trial period, plus other salary items (bonuses). Temporary employees also benefit from an end-of-job indemnity (IFM) equal to 10% of the total gross pay due over the term of the contract, and a paid leave indemnity (ICCP) equal to 10% of the total remuneration plus the end-of-job indemnity. These two allowances are paid at the end of each job if the temporary employee does not immediately receive a permanent contract with the company using their skills. Temporary employees are entitled to overtime pay and compensatory time-off in accordance with labour laws.
The temporary employee's salary is paid by the temporary staffing company, which is considered as the employer and which therefore bears the related social security obligations. Each job gives rise to two contracts: an employment contract called a "job" contract between the temporary worker and the temporary staffing company, and a commercial contract called a "placement" contract ("*contrat de mise à disposition*") signed between the temporary staffing company and the company using the temporary worker. This contract sets out all the specifications of the job assignment: purpose, duration, qualifications, job description, work location, risks associated with the job position, protective gear to be used, compensation, supplemental pension fund, welfare organisation, as well as the documents supporting the reason for the job, given that the company making use of the employee may only use a temporary worker in the specific case of replacement of an employee, a temporary increase in business activity or employment that is seasonal or temporary in nature.
The French Act of 18 January 2005 on social cohesion authorised temporary staffing companies to participate in the job placement market.
In August 2009, the French Act on professional mobility and careers within the civil service made it possible for three public service sectors, namely central government, local government and hospital authorities, to use temporary staffing.
The Cherpion Act and its enactment decree of 11 April 2012 allowed employment agencies to enter into apprenticeship contracts and thus support companies in recruiting young apprentices and young people looking for host companies.
The French National Interbranch Agreement (ANI) of 11 January 2013 and the sector agreement of 10 July 2013 increased the renewal allowance for job contracts to two and set the stage for open-ended temporary employment contracts (*CDI intérimaire*) which was incorporated into the French Labour Code in September 2018 and enshrined in the "Professional Future Act" (*loi avenir professionnel*). This was a decisive stage in safeguarding the career paths of temporary employees, making temporary staffing more attractive to qualified workers.
The introduction of a supplementary health insurance scheme for temporary workers as of 1 January 2016 was a new social breakthrough in temporary staffing in France.
Under the 2017 French Labour Code reform orders (order no. 2017-1387), industry sectors resorting to temporary staffing can negotiate the maximum term of temporary employment contracts, the number of renewals and the applicable waiting period.
In a new agreement dated 25 January 2019, the temporary staffing division adopted measures to promote long-term employment through the ramp-up of CDII open-ended temporary employment contracts.
Following France's Professional Future Act, the professional training reform led, in April 2019, to the creation of AKTO, a new skills operator (Opérateur de Compétences - OPCO) for labour-intensive services combining 32 industry sectors including temporary staffing. AKTO covers some 250,000 companies, 4 million employees, €1.7 billion of revenue and is a major player in professional training.
In September 2019, the French State and the temporary staffing agencies entered into a framework agreement to promote the recruitment and integration of disabled persons in the employment market, representing a new step in the sector's involvement and commitment in this regard.
In November 2019, a new agreement was signed to promote skills development and qualifications among the employees of the temporary staffing and recruitment division throughout their professional careers.

and on the lifting of unjustified restrictions in some countries, as in France. The new Directive (EU) 2018/957 that came into force on 29 July 2018 (applicable as of 2020) on posted workers introducing the principle of "equal pay for equal work", as well as the specific agreement concluded in January 2019 in the European road transport sector intended to standardise regulations and employees' social rights in order to prevent social dumping, are among the advances made towards greater harmonisation of European labour law.

(*) Source: Prism'emploi and company estimate

TEMPORARY STAFFING MARKET IN FRANCE: A HIGHLY CONCENTRATED MARKET

Groupe CRIT operates in a highly concentrated market in France: out of some 2,000 temporary staffing companies operating a total of 11,853 branches in 2018 (source: Prism'emploi), three international groups account for over 65% of the temporary staffing sector. With a market share of over 7%, Groupe CRIT ranks fourth behind the sector's major players and is the leading independent temporary staffing group in the French market (source: Company).

Ranking in France	Group	2019 global revenue (€bn)	2019 France revenue (€bn)
No. 1	ADECCO	23.4	5.5
No. 2	MANPOWER*	18.6	4.9
No. 3	RANDSTAD	23.7	3.7
No. 4	GROUPE CRIT	2.0	1.5

*Manpower global revenue: $20.9bn of which France $5.5bn
Average exchange rate €: $1.12142

A MAJOR ROLE IN EMPLOYMENT AND HUMAN RESOURCES MANAGEMENT

The temporary staffing sector has evolved significantly and has gained recognition from businesses and employees alike.

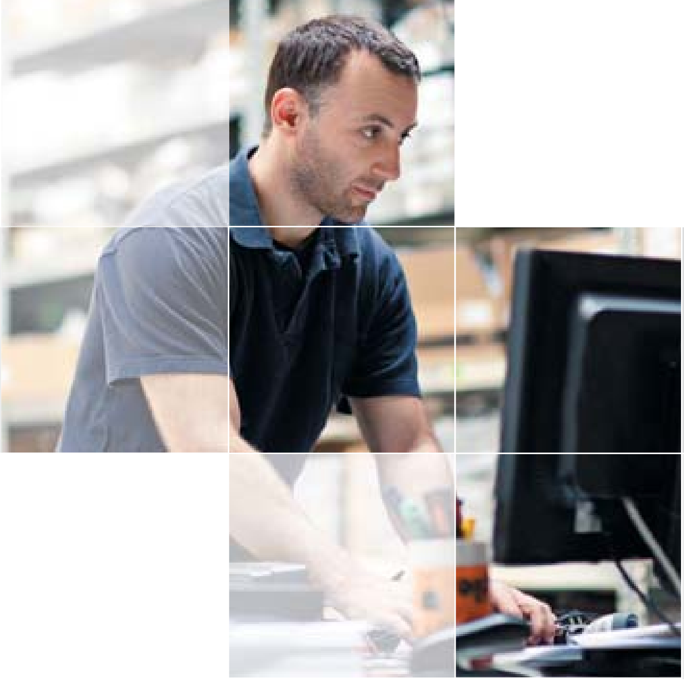
Having long been a one-off and cyclical response to staff adjustment needs during peak work periods or replacements for absent workers, temporary staffing has become a structural tool of human resource management for companies. In the face of an unstable economic environment and lack of visibility, the adaptability and flexibility, knowledge of employment catchment areas and expertise in human resources management (recruitment, temporary staffing, training, consulting, outsourcing, etc.) offered by the temporary staffing sector allows businesses to meet the demand for productivity, competitiveness and responsiveness that have become indispensable in the global marketplace. Due to the investments made in training temporary employees and developing recruitment expertise, temporary staffing gives companies "the right skills at the right time".

At the same time, temporary staffing has become a powerful means of access to employment and integration. Previously synonymous with junior positions, temporary staffing has become a preferred means of entering or returning to employment thanks to continuous efforts to improve the employability of temporary workers and to safeguard their career paths. Today, almost 80% of temporary workers have a good or very good opinion of temporary staffing (source: Observatoire de l'intérim July 2019).

Temporary staffing has clear advantages: lifestyle choice or career strategy for some, means of entering or returning to employment for others, temporary work is a gateway facilitating the sustainable integration of young people into the job market: a quarter of temporary workers are under 25 years old, of whom 39% did not graduate with a high school diploma (source: Observatoire de l'Intérim et du Recrutement sector report). 91% believe that temporary staffing helped them to acquire professional experience, 82% said that it enabled them to learn different careers, 68% to find long-term employment and 77% to receive training (source: OIR BVA, "Regards croisés sur l'intérim 2019" [Temporary Staffing Perspectives 2019]. The training aspect is very important: in 2018 temporary staffing companies invested €475 million to finance operational training for 340,000 temporary employees - the highest level ever achieved in the industry - with low-skilled young people among the main beneficiaries. In 2018, 12% of young temporary workers aged under 25 years completed training programmes of which almost 70% led to qualifications or diplomas (source: OIR, BVA, 2019).

Since the introduction of the open-ended temporary employment contract (CDI intérimaire or CDII) in 2014, a major social advance that safeguards temporary workers via the signing of an open-ended temporary employment contract with a temporary staffing company, more than 82,000 CDIIs had been signed by the end of 2019 (source: Prism'emploi barometer).

Alongside temporary work, the temporary staffing sector has played a key role for a number of years in the recruitment of permanent and fixed-term employees following the 2005 Social Cohesion Act. With over 690,000 hirings since 2009, employment agencies have become the leading private recruitment companies in France. They carried out more than 110,000 hirings in 2019.



TEMPORARY STAFFING IN 2019: A SLIGHT FALL IN TEMPORARY STAFFING – GROWTH IN RECRUITMENT

After 45 consecutive months of growth, the final months of 2018 showed the first signs of a slowdown in temporary staffing in France. This dip was confirmed in 2019 within a context of a slowdown in economic growth and negative factors related to social unrest in France and commercial and geopolitical issues both in Europe and worldwide. With GDP growth of just 1.2% in France (compared to 1.5% in 2018 and 2.7% in 2017), temporary staffing recorded a modest fall of 4.4% year-on-year. This contraction, which represents 33,000 fewer jobs (full-time equivalent), comes after four consecutive years of growth that saw the creation of 280,000 temporary jobs. Meanwhile, an additional 22,000 people working under open-ended temporary employment contracts were recruited by employment agencies in 2019, thus limiting the downward impact of temporary work contracts to 11,000 over the year. In 2019, with 770,000 full-time equivalent temporary jobs (estimate based on Dares data for the first 11 months of 2019), temporary staffing remains very high and significantly above pre-2008 crisis levels.

2019 was marked by monthly fluctuations of between -0.6% and -7.6% that nonetheless revealed a certain uniformity over the course of the year with a more significant downward trend in the second half.

Temporary staffing suffered in particular from the problems faced by the industrial sector, which accounted for 43% of temporary employees in December 2019 and recorded an 8.1% fall in temporary staff year-on-year. Industrial activity is more sensitive to the global context and has faced adverse headwinds with a tougher global economic environment, the specific problems of the German market and the profound changes to car manufacturing. Against this backdrop, temporary staffing, which is used as an adjustment variable, has been severely impacted.

After being the most dynamic sector between 2015 and the first half of 2018, the transport and logistics sector, which accounted for 17.9% of temporary workers in December 2019, is now below average across all sectors with a 6.1% fall year-on-year. As with industry, this sector is particularly exposed to foreign trade, partly to blame for the fall. However, this downturn must be placed within the context of an unfavourable base effect: temporary staffing has posted a 45% increase in this sector since 2015, underpinned primarily by logistics activities. Moreover, the downturn eased in the third quarter of the year before turning positive in the fourth quarter of 2019 (+5.6%).

The slight fall of 2.2% in the retail sector, which accounted for 10.5% of temporary employees in December 2019, also masks uneven monthly fluctuations related to consumer habits impacted in all probability by social unrest.

As in the previous year, the services industry, which accounted for 17.2% of temporary employees in December 2019, proved to be a solid driver of growth in 2019 with an annual increase of 1.6% under the combined effect of growing employment in these sectors and a greater use of temporary workers.

The building sector, which accounted for 11.4% of temporary staffing in December 2019, posted the highest year-on-year growth with 2.9%. The significantly monthly variations, ranging from a 3.8% decrease to a 12.9% increase, can be explained by the major fluctuations inherent to the construction business due to both climatic and economic reasons.

In general terms, while the change in temporary staffing numbers in the building sector can partly be attributed to the number of public works and new projects, it was also a result of strong competition from posted workers over a number of years. The new EU directive of 28 June 2018 amended the 1996 EU directive and introduced the principle of "equal pay for equal work". This new directive will come into force in 2020 and should help to combat abuse in the posting of workers, particularly in the building sector.

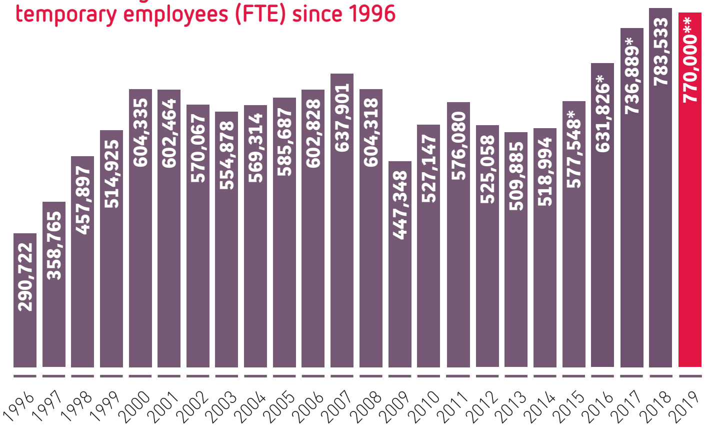
Within the overall context of decline witnessed in 2019, temporary staffing was down in almost all regions with the exception of Brittany, which posted growth of 1.1% year-on-year.

Regions dominated by manufacturing industries and those specialising in transport and logistics were most exposed and recorded the greatest losses in 2019. Conversely, regions with a greater focus on high-tech industries, building and services posted lesser declines in temporary staffing. Against this backdrop and with the exception of Brittany, which recorded growth, six regions posted above-average falls: Ile de France (-1.7%), Provence Alpes Côte d'Azur (-3.0%), Auvergne Rhône Alpes (-3.4%), Occitanie (-3.5%), Nouvelle Aquitaine (-4.2%) and Pays de la Loire (-4.8%). The regions most affected by the reduction in temporary staffing in 2019 were Centre Val de Loire (-10%), Bourgogne Franche Comté (-8.6%), Hauts de France (-7.2%) and Pays de la Loire (-6%)

2019 was also marked by differing trends in temporary staffing depending on employee qualifications. As in the previous three years, there was continued growth in temporary staffing for skilled jobs, matching the skills requirements of the employment market. Managers and intermediary professions thus grew 2.5% year-on-year. Conversely, temporary work for other major job categories followed a downward trend: office work was down 4.8%, skilled labour was down 5% and unskilled labour was down 4.8%. Although temporary staffing primarily concerns blue-collar work, office workers, managers and intermediary professions accounted for 26% of all temporary staff in 2019.

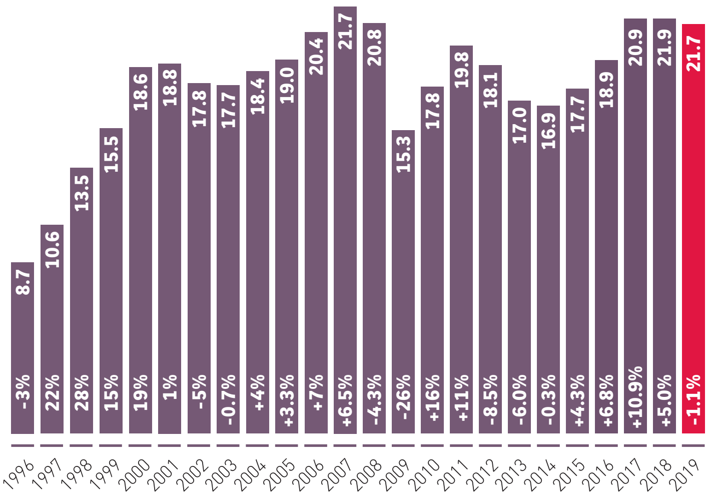
2019 marked the continued increase in open-ended temporary employment contracts (CDII) entered into by temporary staffing companies and temporary workers, which enable the latter to benefit from the security provided by permanent employment contracts and training programmes, enable temporary staffing companies to retain their temporary workers, and enable companies using temporary workers to maintain the flexibility of hiring staff for ad-hoc assignments. Five years after its introduction, this type of contract has become well-established as a stepping stone into long-term employment and has a growing reputation with a 79%

Annual change in the number of temporary employees (FTE) since 1996



Source: Dares: * data revised following DSN integration;
** 2019 estimate based on Dares data for the first 11 months of 2019

Change in annual temporary staffing revenue in France
(€bn)



* Source: (Prism'emploi/I+C, raw data)

approval rating among its beneficiaries (February 2020 OIR study). The growth in CDIIs was at its highest level since their introduction in France in 2014. After the number of CDIIs almost doubled in 2017 and 2018 with 13,150 and 25,500 new open-ended temporary employment contracts signed respectively, an additional 22,000 were signed in 2019, taking the cumulative number of open-ended temporary employment contracts signed to 82,000 by the end of 2019.

In 2019, employment agencies consolidated their leading role within recruitment activity in France. After making 90,400 and 104,600 hirings in 2017 and 2018 respectively, more than 110,000 CDI and CDD recruitments were carried out over the year, a rise of 5% compared to 2018. The level of recruitment carried out by employment agencies in 2019 thus reached its highest point since 2005 (Prism'emploi barometer).

By its very nature, temporary staffing affords flexibility; it is therefore the adjustment variable used by companies in times of uncertainty. While downward cycles show the sector to be the first hit by the effects of a slowdown in economic activity, it is also the first to benefit from an upturn in the economic situation and take advantage of growth periods. Temporary staffing is an early indicator of job creation, since economic recovery relies firstly on temporary staffing before spreading across the entire economic fabric. An analysis of economic cycles over the last 30 years shows that GDP growth of between 0.6% and 0.8% is necessary for temporary staffing to pick up, while sustainable job creation requires GDP growth of around 1.5%.

The worldwide spread of coronavirus in early 2020 has radically altered global economic forecasts and has consequently impacted all local temporary staffing markets, beginning with France. The spread of the virus throughout the country and the introduction of severe lockdown measures leading to the administrative closure of a large number of companies and establishments has brought the entire French economy to an abrupt halt.

All sectors have been affected and some more than others, such as hospitality or tourism which have posted falls in revenue of between 90% and 100%. The construction and public works sector is down significantly. The total or partial suspension of production at major manufacturing plants has consequences for the entire subcontracting chain. In March, the private sector recorded its biggest fall in activity since the survey was first carried out 22 years ago (Markit PMI). The composite index (services and industry) fell from 51.9 in February to 30.2 in March. In its review published on 26 March, INSEE also confirmed activity levels in freefall in most sectors and estimated a decline in activity of around 35% compared to a normal week.

The French government, which had already forecast a 1% drop in GDP for the year in February 2020, downgraded its estimate in April 2020 to a decline of more than 2.2%. Closely linked to the French economic environment, the temporary staffing market in France has been hit hard by the consequences of the COVID-19 public health crisis since mid-March. (See section 1.7 "Strategy and outlook" of this Universal Registration Document).

GROUPE CRIT'S TEMPORARY STAFFING AND RECRUITMENT DIVISION

A RANGE OF HUMAN RESOURCE SERVICES

CRIT is a pioneer in temporary staffing. It has become a major player in human resources with an extensive service offering.

CRIT is the leading independent group in France[1] for temporary staffing and recruitment and is ranked 19th in the world[2], with networks in the United States, Germany, Spain, Portugal, Switzerland, Morocco and Tunisia. Each year, CRIT meets the needs of 30,000 corporate clients and supports over 260,000 employees in their career paths.

Thanks to its expertise, the Group is able to provide a recruitment and human resource management solution covering temporary (CTT and CDII), fixed-term (CDD) and permanent (CDI) contract employment, training, assessments, first-time employment support and consulting.

With over 2,700 permanent employees working in the Group's temporary staffing and recruitment division, offering client-side customised HR management services, permanent and fixed-term recruitment, job placement, consulting, HR management digitisation, first-time employment support (support and advice to job seekers, redeployment and retraining for workers made redundant, engineering consulting for finding employment for recent graduates, employment support and advice for disabled workers, audits and advice for companies in their efforts to establish cohesion in the workplace, skills reviews, etc.), the Group's extensive human resources expertise enables it to meet the expectations of both job applicants and companies.

THE STRENGTH OF A NATIONAL NETWORK

With 419 branches in France at the end of 2019, CRIT benefits from a dense network and nationwide coverage. This allows for agility, flexibility, rapid decision-making and action, commercial and personal convenience, and a privileged interaction and relationship between headquarters, branches, corporate clients and job applicants.

This proximity is at the heart of the division's organisational structure and enhances the human relationships that the Group's managers have always endeavoured to foster both internally and with their clients.

This stability also promotes proximity with corporate clients and job applicants. This personal and geographic proximity, which is important to Groupe CRIT and its employees, guarantees effectiveness and ensures a more personalised, targeted, human and efficient service.

Autonomous and united, CRIT branches are managed by regional operations departments, which are genuine centres of expertise in human resources.

CRIT branches are "firms" organised as profit centres, with managers who share an entrepreneurial culture. Their managers are hands-on specialists in their respective business sectors.

Recruited locally and chosen for their involvement in the social, economic and community life in their area, CRIT employees are entirely familiar with the economic fabric and companies in their regions. This form of recruitment is one of the Group's major strengths and the resulting stable and specialised expertise is reflected in a low employee turnover rate.

1 Source: Company
2 Staffing Industry Analysts ranking – largest global staffing & recruitment firms 2019

582 employment agencies in France and overseas in 2019

FRANCE

CRIT, A MAJOR PLAYER IN FRANCE

Crit's key geographical and segment positioning, position amongst clients, fundamental values of entrepreneurship, proximity, agility and responsiveness, as well as its ongoing efforts to meet its clients' needs all help make Crit a preferred partner for major clients and small and medium-sized enterprises alike, in all business sectors and regions.

A balanced geographic distribution

The Crit network has a well-balanced geographic configuration. It is therefore present in the largest towns and cities in France and in the large employment catchment areas. Special attention is paid to optimising and continuously adapting branch networks to the needs of local markets. In 2019, 13 branches were opened and there were 20 branch transfers in France in order to be closer to clients and the most buoyant employment catchment areas.

With a very strong presence in Hauts de France, Grand Est and Normandy where it is the regional leader, the network is also well-established in the Paris region and holds strong positions in the South-East and South-West of France.

Coverage of all business sectors

The Crit network boasts a diverse sector and client base. Crit has a particularly strong presence in the industrial sector, which accounted for 45% of its business in 2019.

The network is also highly developed in the services sector, in which the Group substantially increased its penetration and whose share in total business was 39% in 2019 compared to 25% in 2004.

The network also has strong positions in the building sector, which accounted for 16% of business in 2019.

With the backing of its development and corporate culture, for several years now Crit has based its growth on two dimensions:

- its knowledge of and involvement in the industrial and services sectors (automotive, agro-food, distribution, transport/logistics, chemicals, pharmaceuticals, customer services);
- the development of expert divisions offering high value-added (aeronautics, event management/catering, graphics/Web design, nuclear, etc.).

A strategic client mix

The Group has a high level of penetration among small and medium-sized companies and industries – which account for 44% of the division's revenue – and also holds strong positions with key accounts, which accounted for 56% of the division's business for the year.

With over 24,000 clients in France, the Group's diversification of its client base provides it with the necessary sectoral mix and balance to limit its exposure to any particular sector and its dependence on particular clients. The Group's largest client in its temporary staffing division accounts for only 5% of total revenue. The Group also provides expertise to public-sector companies, thus enabling it to expand its client mix.

INTERNATIONAL OPERATIONS

45TH STAFFING GROUP IN THE UNITED STATES[1] AND KEY POSITIONS IN EUROPE AND NORTH AFRICA

The Group has developed its international network extensively and has operations in Europe, North Africa and the United States.

Since 2011, the United States has been at the core of the Group's international development strategy. The decision to penetrate the world's largest temporary staffing market stems from the Group's determination to diversify its geographical positions in order to develop new growth drivers.

For six years, the Group has extended its penetration in the American continent through an aggressive external growth strategy. Since the acquisition of PeopleLink in 2011, ranked 85th among American staffing companies, the Group has carried out multiple acquisitions that have made it one of the major players in the American market today. Ranked 45th among staffing groups in the United States[1] and 20th among industrial staffing companies in 2019[2], the Group currently operates a network of 95 branches located in 23 states. It offers general commercial staffing services supplemented by four specialised verticals in the professional staffing, IT, construction and quality control sectors. It offers commercial staffing services supplemented by specialised verticals in the professional staffing, IT, construction and quality control sectors. The United States has become the Group's largest international market accounting for around 63% of the temporary staffing and recruitment division's international business in 2019.

Spain, the Group's second biggest market in Europe, accounted for a quarter of the temporary staffing and recruitment division's international business. Having borne the brunt of the global financial crisis, Spain enjoyed a highly favourable economic climate until 2018 with five consecutive years of GDP growth between 2.5% and 3.6%. In 2019, against the backdrop of a slowing global economy, Spain posted annual GDP growth of 2%, its lowest level since 2014 but higher than combined European Union GDP growth, which was estimated at 1.4% for the year (source: Eurostat).

The measures taken by the Group to adapt the network, update the business model and revitalise the marketing of its branch network, combined with the improvement in the economic climate, have enabled Crit to multiply its organic growth in this country by 2.5 in seven years. In 2019, the Group had 43 branches in Spain and 1 in Portugal.

The Group also has established positions in Germany, Switzerland, Morocco and Tunisia, taking the Group's international network to 163 branches in 2019.

1 Source: Staffing Industry Analysts: Largest Staffing Firms in the United States - update August 2019

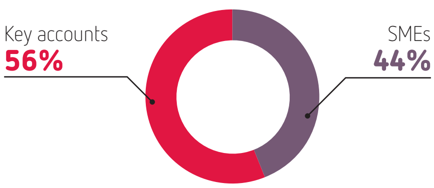
2 Source: Staffing Industry Analysts: Largest Industrial Staffing Firms in the United States - update Aug. 2019

3 Source: INE

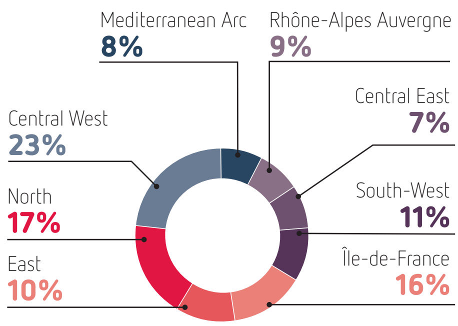
A balanced client mix

Breakdown of CRIT network revenue by client segment

(% of 2019 revenue)



Breakdown of CRIT France temporary workers (FTE) by region in 2019



BUSINESS ACTIVITY OF THE TEMPORARY STAFFING & RECRUITMENT DIVISION IN 2019

A HIGH LEVEL OF ACTIVITY, GROWTH IN MARGINS

Ranked 19th among staffing companies globally[1], the Group has confirmed its position as a major player in France and abroad.
With revenue of more than €2 billion, the temporary staffing and recruitment division posted a solid performance in 2019 with a high volume of business.
Within a more demanding environment, the Group showed great resilience both in France and abroad. The division's revenue thus remained high at €2,034.4 million, down slightly (1.4%) from the previous year.
In France, the Group consolidated its fourth position behind the industry giants, maintaining high business volumes on its core market and improving profitability. Internationally, with revenue of almost €500 million, the Group achieved its target of increasing margins.

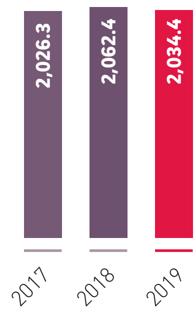
FRANCE: EXCELLENT RESILIENCE IN A CHALLENGING ENVIRONMENT

In France, which accounts for just under 76% of the Group's temporary staffing and recruitment business, CRIT demonstrated great resilience in 2019 amid a more challenging environment.

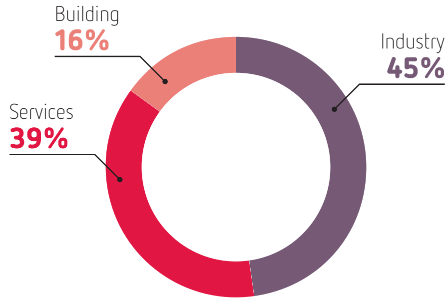
Revenue amounted to €1,537.1 million, a slight fall of 1.7% with data adjusted for days worked. This represents a positive performance considering the combination of headwinds: a challenging economic climate in Europe linked to international trade tensions, a slowdown in French markets during the second half of the year, a reduction in demand in the industrial sector, particularly the automotive sector, which weighed on the annual growth of the Group's division and a year-end marked by social unrest in France. Excluding the automotive sector, the division posted organic growth of 1% for its business in France in a market down 1.1% (source: Prism'emploi).

The development of the division's business in France, in line with that of its main competitors in 2019, is all the more remarkable given that it follows five consecutive years of strong growth, allowing the Group to record organic growth of almost 7% since 2014, outperforming the industry giants.

Breakdown of temporary staffing and recruitment division revenue
(€m)



Breakdown of Crit France network revenue by business segment
(% of 2019 revenue)



FURTHER PROGRESS TO KEEP UP WITH MARKET TRENDS

2019 was an important year for the continuation of the Group's strategy to support the development of its markets and take advantage of all opportunities. Further progress was made in the various key strategic areas: quality and proximity of the regional network, service offering scale-up, diversity of sector positioning, temporary employee career stabilisation, strengthening of CSR commitments and digitisation strategy.

With over 400 branches in France at the end of 2019, the Group's regional network enables it to target the most buoyant employment catchment areas. In order to provide the flexibility required to adapt its offering in line with demand, whilst continually reviewing cost structure, the network is subject to continuous development, as reflected in 2019 by the opening of 13 branches and the transfer of 20 branches to enhance proximity to clients.

The upscaling of its service offering, the second Group strategic priority, is reflected by the ongoing development of its customised HR management service, CRIT Inside, on client premises. This service is an effective response to key clients' demand for a hands-on and customised service. After doubling its Inside network in 2018, the Group opened 19 new Inside branches over the year, taking its national Inside network to almost 50. 20 new Inside branches are due to be opened in 2020.

CRIT also continued to capitalise on specialist expertise by focusing on the recruitment and outsourcing of skilled work in key sectors such as energy, aeronautics, event management...

In 2019 was also a successful year for the Group in terms of recruitment (CDD and CDI contracts), for which revenue leapt 30% to equal the remarkable level of growth already achieved in 2018 in these high value-added services.

The sector-specific change testifies to the quality of the Group's business development and the wide range of sectors it serves. The Group has particularly strong positions in industry and services, which account for over 80% of revenue.

In industry, the Group's primary sector which accounted for 45% of its business in 2019, there was a moderate 5.6% fall in revenue. This downturn took place amid a global slowdown in industry, particularly in the automotive sector in which the Group has historically held significant positions.

The fall in demand in the automotive sector thus curbed year-on-year growth in the temporary staffing and recruitment division by 2.7%. Excluding the automotive sector, organic revenue growth came to 1% with data adjusted for days worked, in an employment market down 1.1% (source: Prism'emploi - WDA data).

The decline in industrial business volumes must be placed within the context of the exceptional growth achieved by the Group in this sector over the past five years, with average annual growth of 13% since 2014.

After recording a high level of growth in 2018 (8%), which was preceded by two years of double-digit growth, the service sector accounted for 39% of all business in France and posted flat year-on-year growth (-0.1%). This constitutes a good performance in view of the exposure of the transport and logistics sector to external trade tensions and the slowdown in industry and a retail sector hit by social unrest in France.

The building sector, which accounted for 16% of business, performed well in 2019 and posted 2% year-on-year growth.

In a market characterised by increased competition for qualified workers and a growing shortage of labour, temporary worker retention and career progression feature among the Group's strategic priorities. As such, open-ended temporary employment contracts (CDII) are a major potential area of growth. The Group signed almost 2,500 open-ended temporary employment contracts in 2019, exceeding its target of 2,000 for the year. A new type of employment contract specific to the industry, the CDII alternates assignment periods and interim periods with guaranteed monthly remuneration for the temporary worker. This contract helps support the career paths of temporary workers, who are able to benefit from training programmes during the interim periods between assignments. Training plays a key role in the Group's HR policy and significant funds are invested in skills development each year. Some 16,000 temporary CRIT employees received training during the year, boosting the qualifications and employability of its workforce.

Another strategic priority comprises the Group's CSR commitments, which have been at the core of its strategy for a number of years. In 2019, the Group received a number of awards recognising its excellent performance in the area of resource management: ranked among the best recruitment companies in 2019 (Echos Executives), rated Leader in Diversity 2020 (Financial Times), rated "Excellent" in Décideurs magazine 2019 HR - Consultancy Firm ranking. Recognition of the Group's CSR policy also came from its ranking as 71st out of 230 companies in the 2019 Gaia Index, a socially responsible investment (SRI) mid-cap index comprising French stocks demonstrating a strong commitment to corporate social responsibility.

The Group stepped up its efforts in the area of access to employment and equal opportunities in 2019 through its commitment to a number of schemes including PAQTE, a national initiative supporting underprivileged urban communities, EPIDE, a nationwide agreement promoting the employment of under-qualified youth, and the Seine-Saint-Denis Égalité charter to promote regional employment.

The Group also joined the Corporate Association for a More Inclusive Economy in February 2019. This association currently comprises 35 companies committed to supporting social progress and implementing an action plan with three objectives: facilitating access to goods and services for the most vulnerable people, developing and optimising an inclusive procurement policy and improving inclusion through training and apprenticeships. This is an area in which the Group is highly involved, becoming sponsor and co-leader of the 'Collective 93' group in the Seine-Saint-Denis area in 2019, with the aim of mobilising all companies and stakeholders throughout the region in support of the "2nd chance work-study" forum at the Salon Jeunes d'Avenir in Paris.

As part of its digital strategy, a key development priority supporting the growth of its businesses, the Group has been developing solutions that today provide it with a wide range of tools to support the digitisation of customer relations and interactions with temporary employees and applicants.

The CRIT Online portal is a major response to the need for simpler and safer administrative procedures and greater productivity for its corporate clients. The MyCRIT portal and app, a personal digital space for temporary employees set to be rolled out to applicants in 2020, is a powerful driver of sourcing and loyalty. With more than 3.5 million visitors per year and 5,000 daily job offers, the new CRIT Job website aimed at companies and applicants enhances the Group's commercial visibility and employer brand. In 2019, the

Group reached a new customer relations digitisation milestone with the development of CRIT One, a platform that targets small and medium-sized companies and which is scheduled to be launched in the first half of 2020.

The Group has also created the CRIT Academy training platform, a learning management system for permanent employees, operational from the first quarter of 2020.

INTERNATIONAL: REVENUE APPROACHING €500M – MAJOR GROWTH IN OPERATING MARGINS

In 2019, the Group consolidated its international positions and proved the merits of its strategy by generating a further increase in its operating margin in the international segment.

International revenue, which accounts for almost a quarter of the division's business, amounted to €497.4 million, up 0.9% including a positive exchange rate impact. Revenue dipped 2.5% at constant consolidation scope and exchange rates. Despite this decline, the Group posted a significant increase in its operating margin with a 40-basis point gain year-on-year.

The United States and Spain, which account for almost 90% of the division's international operations, generated annual revenue of $352 million and €131 million respectively.

THE UNITED STATES, THE GROUP'S LEADING OVERSEAS MARKET: TWO CONSECUTIVE YEARS OF STRONG MARGIN GROWTH

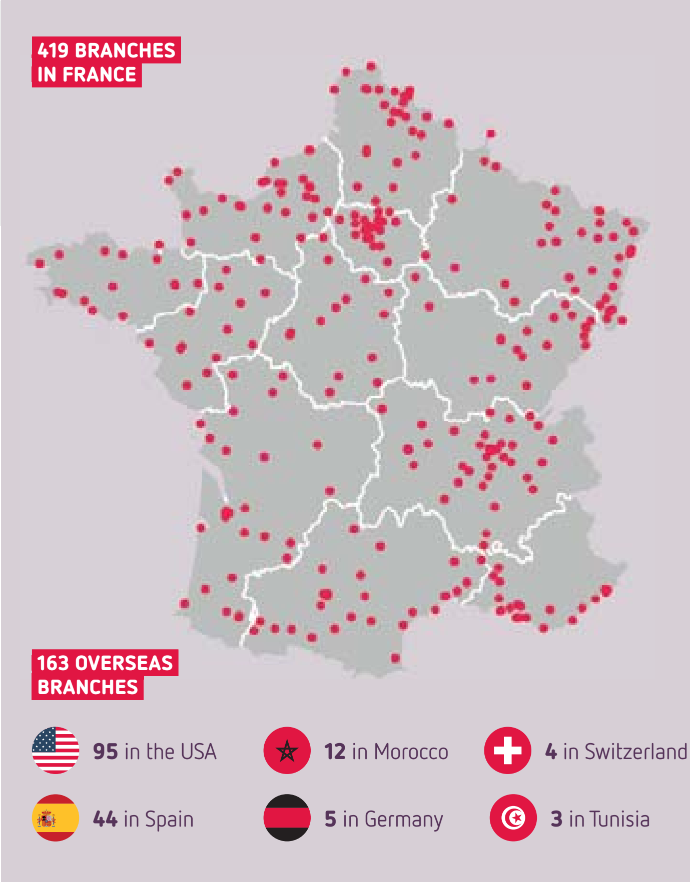
Having pursued an aggressive external growth strategy since 2011 in the American market, the world's largest temporary staffing market, the Group focused on consolidating its networks by prioritising operating margins, as announced. Accordingly, after a major 110-basis point increase in EBITDA margin in the United States in 2018, the Group recorded a further 60-basis point improvement in this margin over the year.

This performance was achieved in the context of a historically tight North American job market and a staffing sector facing a shortage of labour and high volumes of qualified temporary staff recruitment by corporate clients. The Group, which posted revenue of $352 million in the United States, down 3.7% year-on-year, was able to turn this market situation to its advantage in order to enhance its services, continue optimising its branch networks (95 branches across 23 states) and prove the value of the strategy implemented for this region, which accounts for more than 63% of the Group's staffing division's international operations.

STRONG BUSINESS IN SPAIN

Spain, the temporary staffing and recruitment division's second largest international market accounting for 27% of international business, posted a solid performance in 2019 within a challenging environment. The Group maintained a high level of activity and revenue was stable at €131 million. These figures illustrate an impressive performance achieved amid a slowdown in economic growth in Spain, where GDP growth was limited to 2.0%[1] in 2019 compared to 2.4% as forecast, following five consecutive years of very high growth.

1 INE



STRONG PERFORMANCE IN TERMS OF GROWTH AND PROFITABILITY

After the solid results achieved in 2018, the Group's temporary staffing and recruitment division posted a remarkable performance in 2019 despite a range of unfavourable circumstances. Against a backdrop of slower growth in its markets and operations, and despite the major impact of the abolition of CICE tax credit in France, EBITDA[1] (like-for-like excluding the impact of IFRS 16) rose 3.6% to €110.3 million. EBITDA margin was 5.4%, up 20 basis points year-on-year. This performance, driven by operations in France and abroad, was boosted in particular by the successful service enhancement policies implemented by the Group.

After application of IFRS 16, the division's EBITDA for the year amounted to €119.4 million with a margin of 5.9% of revenue.

EBITDA in France, like-for-like excluding the impact of IFRS 16, rose 2.2% to €83.1 million with a margin of 5.4%, up 20 basis points year-on-year. This performance is all the more impressive given the 50-basis point impact resulting from the abolition of the CICE tax credit in France. EBITDA for the division (including IFRS 16) amounted to €88.7 million with a margin of 5.8%.

EBITDA for international operations, like-for-like excluding the impact of IFRS 16, rose 7.9% to €27.2 million, with the margin improving by 40 basis points to 5.5%. The USA was the main driver of this improvement due to a significant increase in operating margin which, after a 110-basis point gain in 2018, rose by a further 60 basis points year-on-year. After application of IFRS 16, international EBITDA for the division amounted to €30.7 million with a margin of 6.2% for the year.

THE DEVELOPMENT OF HUMAN RESOURCE SERVICES: FIRST-TIME EMPLOYMENT, SUPPORT, ETC.

A major player in the employment sector, CRIT is fully committed to its role as a springboard towards employment.

Apart from its recruitment and HR solutions, the Group develops integration programmes designed to help job-seekers, focusing on young and disabled people. These programmes include training, skills assessment, redeployment and retraining, etc.

CRIT has established a number of partnerships with government agencies designed to promote access, retention or return to employment. These include: Pôle Emploi, Missions Locales, EPIDE, Écoles de la deuxième chance (second chance schools), AGEFIPH (an association that helps disabled job-seekers find employment), local regional collectives, training bodies, schools and associations, etc. In 2019, CRIT was involved in over 800 active partnerships in France led by a team of regional advisers.

The partnership initiatives launched every year by the Group have a single objective: promoting equal opportunities and helping people find a job. The Group has a particular interest in priority communities. Having signed the Charte Entreprises et Quartiers (Businesses and Neighbourhoods Charter) and the PAQTE charter in a number of regions in 2018, CRIT reaffirmed its commitment in early 2020 by signing a nationwide PAQTE agreement to mobilise its entire network and bolster its actions to support people from priority communities.

CRIT stepped up its work with young people by increasing the involvement of its branches in the Missions Locales: more than 70 CRIT branches signed partnerships with Missions Locales in 2019. The Group signed a national partnership agreement with EPIDE and its 19 centres in France to promote the long-term employment of young people without diplomas or qualifications. CRIT is the first temporary staffing company to sign such a partnership on a national scale.

In 2019, the Group made a major commitment to promoting employment and inclusion by joining the Corporate Association for a More Inclusive Economy. This association comprises 35 companies committed to using their financial strength to support social progress, and implements an action plan designed to increase training provision and professional insertion, facilitate access to goods and services for the most vulnerable people, and develop and optimise an inclusive procurement policy. The Group, which is heavily involved in the Seine-Saint-Denis area, the historical location of its head office, became sponsor and co-leader of the 'Collective 93' group in the Seine-Saint-Denis area in 2019, with the aim of mobilising companies and stakeholders throughout the region in support of the "2nd chance work-study" forum at the Salon Jeunes d'Avenir.

The Group also signed the "Seine-Saint-Denis Égalité" charter, extending its commitment to improve training provision and promote employment among residents of the Seine-Saint-Denis district.

AN ACTIVE POLICY TO ASSIST DISABLED WORKERS

For many years now CRIT has pursued a proactive policy to promote employment and integration for disabled workers.
For this purpose, 12 years ago the Group set up a nationwide handicap mission deployed by regional officers and aimed at promoting the integration of disabled workers by providing support and advice to companies for their social cohesion initiatives.
Daily initiatives are conducted with permanent staff and temporary workers in order to foster the integration, hiring and retention of disabled persons.
Accordingly, the number of hours of outsourced work for disabled persons has grown significantly and rose by 5% in 2019. In 2019, CRIT placed close to 9,800 assignments with individuals recognised as disabled workers in around 1,900 client companies.
In 2019, the partnership agreement entered into between the government and Prism'emploi in the context of the "Professional Future Act", which aims to facilitate the access of disabled workers to the employment market, is expected to form the basis of the Group's policy in this regard. This agreement establishes an experimental new means of accessing temporary employment specific to disabled workers, from 1 January 2019 to 31 December 2021.

AN EXEMPLARY CORPORATE CITIZEN

For years now the Group has pursued a proactive CSR policy geared to driving its development.
CSR initiatives in 2019, a description of which may be found in the CSR section of this Universal Registration Document, are geared towards the following areas:

- Developing employability and safeguarding career paths: the Group is pursuing its nationwide training programmes and integration programmes for disadvantaged groups. It is promoting the use of open-ended temporary contracts and further diversifying employment solutions in order to safeguard career paths.
- Fostering employee awareness of health and safety issues: this key feature of the Group's social policy is materialised via a certified management system backed up by training and awareness programmes.
- Stepping up pro-diversity and anti-discrimination campaigns: hiring and retention in employment are based solely on the skills of Group employees and job applicants.
- Business ethics: in keeping with its commitments, the Group is stepping up its efforts to promote business ethics, particularly in terms of data protection and confidentiality.
- Environmental policy: the Group is pursuing its environmental policy with a view to continuous improvement.

Recognition of the Group's CSR policy was illustrated by its inclusion in the Gaia Index, a socially responsible investment (SRI) mid-cap index comprising French stocks demonstrating a strong commitment to corporate social responsibility, its Silver EcoVadis rating, a non-financial corporate CSR performance rating, and by its adherence to the United Nations Global Compact.

1.2 THE AIRPORT SERVICES DIVISION: DYNAMIC GROWTH

True to its policy of providing companies with the services and human resources they need, Groupe Crit has developed an airport services division, a segment with increasing outsourcing needs.

Although temporary staffing is Groupe Crit's core business, airport services, its second largest source of growth, makes a significant contribution to the Group's business and skills. Airport services is a sector offering excellent opportunities for long-term growth driven by the increase in global air traffic linked to growing populations and the spread of low-cost air travel. The airport services division will therefore remain a key growth driver for Groupe CRIT over the coming years.

A PRIME POSITION

FRANCE
- Paris-Roissy CDG1, CDG2, CDG3
- Paris-Orly
- Paris-Le Bourget
- Nice Côte d'Azur

EUROPE
- Ireland (Dublin, Shannon)
- United Kingdom (London Heathrow, London City Airport)

AFRICA
- Congo (Brazzaville, Pointe-Noire, Ollombo)
- Sierra Leone (Freetown)
- Mali*

USA
- Boston

* technical assistance services

AIRPORT SERVICES: AN EXTENDED RANGE OF SERVICES

The airport services provided by the Group include all essential services required by airlines for their ground operations. The main services are:

- Passenger assistance:
  check-in, boarding, ticketing
- Aircraft assistance:
  towing, parking, chocking, electrical connections, baggage and cargo handling, checking tanks, aircraft pushout, cleaning
- Traffic:
  monitoring flight plans, drawing up weight and balance forms, weather tracking, etc.
- Cargo services:
  transfer of cargo and mail from runway, storage (cargo warehousing) in Africa

ROISSY CDG, THE WORLD'S 10th BUSIEST AIRPORT[1]

- **No. 1 in France**
- **No. 2 in Europe[2]**
  76.2 million passengers en 2019
- **CDG2:**
  61.2 million passengers in 2019
- **CDG1:**
  10.2 million passengers in 2019
- **CDG3:**
  4.7 million passengers in 2019

ORLY, 15th BUSIEST EUROPEAN AIRPORT[2]

- **31.9 million passengers in 2019**

1 Source: ACI International 2018
2 Source: ACI Europe 2019

THE AIRPORT SERVICES MARKET

N.B.: The air traffic growth forecasts provided below were established before March 2020 and therefore do not account for the impact of the COVID-19 pandemic, which has brought global air traffic to a virtual standstill since mid-March. On 24 March 2020, the International Air Transport Association (IATA) estimated total revenue losses of $252 billion for airlines in 2020. This would represented a fall of 44% compared to 2019. The drop in passenger traffic would therefore be 38% year-on-year. Furthermore, IATA estimates that the "severe travel restrictions will last for at least three months" and anticipates a "gradual" pick-up not expected before 2021, as explained by its chief economist Brian Pearce. "The impact of the global recession on employment and confidence" are to blame. Down 65% in the second quarter, airline capacity measured in available seat-kilometres will not return to estimated pre-crisis levels before the end of 2020. The forecast for the fourth quarter is a 10% fall.

The airport services market, which relies on the tendency of airlines to outsource and the opening up of airport services to external competition, is by its very nature correlated to air traffic volumes. Air traffic has been growing steadily for over 30 years, including 60% growth over the last ten years. Before the impact of COVID-19, the Airbus Global Market Forecast 2018-2038, which sets out long-term air traffic growth forecasts, predicted global annual growth of 4.3% for the next 20 years, with 4.6% and 4.0% annual growth over the first and second decades respectively.

After a year of major growth in 2018 (7.3%), global air passenger traffic posted more limited growth of 5.5% in 2019, with a total of 4.5 billion passengers transported worldwide.

This slowdown in growth occurred in all regions. Asia-Pacific and European carriers recorded significant declines in 2019 with respective growth of 4.5% (8.5% in 2018) and 4.4% (7.5% in 2018). The same was true for the Middle East (2.6% vs. 4.9% in 2018), North America (3.9% vs. 5% in 2018), Latin America (3% vs. 7.5% in 2018) and Africa (5% vs. 6.3% in 2018) (source: IATA).

In France, the Paris-Charles-de-Gaulle and Paris-Orly airports registered traffic of 108 million passengers in 2019, up 2.5% on the previous year, with 76.2 million at Paris-Charles de Gaulle (+5.4%) and 31.9 million at Paris-Orly (-3.8%). The lower volumes at Paris-Orly were primarily related to the restricted number of movements resulting from the closure of Orly's main runway for maintenance (closed on 28 July and reopened on 2 December) and the bankruptcy of Aigle Azur, which ceased operations on 6 September 2019 (source: ADP).

Consequently, traffic measured as the number of aircraft movements also followed diverging trends at the two Paris airports, with annual traffic volumes up 3.6% at Paris-CDG and down 4.7% at Paris-Orly (source: ADP).

Nice Côte d'Azur airport registered a record level of traffic in 2019 with 14.5 million passengers carried, up 4.6% compared to the previous year and up 1.6% in number of aircraft movements (source: Nice Côte d'Azur airport).

GROUPE CRIT, LEADING AIRPORT SERVICES PROVIDER IN FRANCE[1]

With over 76 million passengers carried in 2019, up 5.4% from 2018, Paris-CDG is the 2nd largest airport in Europe and the 10th largest worldwide. Paris-Orly, the 2nd largest French airport and the 15th largest European airport, carried around 32 million passengers in 2019. Nice Côte d'Azur airport, the 3rd largest in France, posted a record 14.5 million passengers in 2019. These three airports, at which the Group operates, account for over 60% of air traffic in France.

The French market for airport services differs from other markets in that there is a service provider status. Only authorised service providers have direct access to airlines, with other market operators allowed only to operate as subcontractors to the service providers. The status is granted by ministerial order and the number is limited to three at any given airport hub for Paris-CDG and Paris-Orly airports and four for Nice Côte d'Azur airport.

Since 2009, Groupe CRIT's airport services subsidiary Groupe Europe Handling has substantially extended its areas of operation and is now present in the three largest French airports, Roissy-Charles-de-Gaulle, Orly and Nice Côte d'Azur, which catered to a total of over 122 million passengers in 2019. The Group also launched operations at Paris-Le Bourget airport in 2018, thereby extending its business aviation activities to include the leading business airport in Europe.

Having been appointed airport service provider at Roissy-Charles de Gaulle terminal CDG2 in 2001, then in 2009 at terminals CDG1 and CDG2 and at Orly airport, in 2014 the Group was again appointed airport service provider at the two largest French airports with an extension of its areas of operation to terminal 3 of Charles de Gaulle airport. In March 2015, the Group was also appointed airport service provider at Nice Côte-d'Azur airport. In March 2017, the minister for civil aviation again appointed and confirmed Groupe Europe Handling as airport service provider at Roissy and Orly airports. This decision follows the judgement of the Paris Administrative Court which, having heard a case brought before it by a competitor, had annulled the 2014 ministerial decision appointing the three ground handling service providers at Paris airports.

These airport services licences, initially awarded in 2014, are granted for a period of seven years and enable the Group to operate at the terminals of ROISSY CDG1, CDG2, CDG and ORLY until 2021.

The Group bolstered its leading role in France by launching operations at Paris-Le Bourget airport in 2018 and expanded its area of operation in the business aviation market, which recorded air traffic of 700,000 flights in Europe in 2017, up 6% (source: Eurocontrol). In July 2018, the Group acquired the business operations of Advanced Air Support, renamed Advanced Air Support International. This new airport services subsidiary will provide runway services and ground operations, passenger and staff assistance, occasional and long-term security services for all types of aircraft (private to jumbo jets) operating at Le Bourget airport. Dedicated exclusively to business aviation, including healthcare-related, official and private transportation, Paris-Le Bourget is Europe's largest business airport. It serves 800 destinations and recorded around 54,000 aircraft movements in 2018 (source: EBAA). In 2019, the Group provided assistance for 12,000 private and official flights at Paris-Le Bourget airport.

The Group now operates at all Parisian airport hubs.

Backed by its positioning, the Group operates as both subcontractor and direct service provider and works with over 60 scheduled airlines at its French hubs (Air France, Aeroflot, Alitalia, Air Baltic, Air Caraïbes, Air Canada, British Airways, Air Tahiti Nui, Cathay Pacific, Emirates, EasyJet, Eurowings, Finnair, Fedex, Iberia, La Compagnie, Level, Lufthansa, Norwegian, OpenSkies, Qatar Airways, Saudi Arabian, Vueling, etc.).

Groupe Europe Handling thus provided services for more than 304,000 aircraft movements[2] and over 45 million passengers in 2019.

With over 30% market share in the three largest national airports, Groupe Europe Handling is the leading airport service provider in France[1].

1 Source: Company

2 Airport services air traffic is expressed in terms of aircraft movements or turnarounds (1 turnaround = 1 departure and 1 arrival), indicators used to measure services provided. This figure has been calculated excluding business air traffic at Paris-Le Bourget airport.

GROUPE CRIT, TOP 10 WORLDWIDE IN AIRPORT SERVICES

The Group also occupies key positions internationally with subsidiaries in Ireland, the United Kingdom, Africa and the United States. The Group added a new dimension to its international airport business in late 2016 by launching operations at London Heathrow, Europe's largest airport, and by acquiring a foothold in the US airport services sector at Boston airport in 2017.

In the UK, the 2017 integration of Cobalt Ground Solutions, no. 3 airport service provider at London Heathrow, expanded the airport services division's European footprint, at the world's 7th busiest airport[2]. London Heathrow once again confirmed its status as Europe's leading airport with 2019 traffic approaching 81 million passengers. This operation also allowed the Group to break into the global top 10[(1)] airport services providers and significantly strengthened its positions in England, where since 2011 it has provided airport services at London City Airport, which recorded traffic of over 5 million premium passengers in 2019.

In Ireland, its subsidiary Sky Handling Partner operates at Dublin airport, the biggest airport in Ireland and the 14th largest in Europe, which recorded passenger traffic of 32.9 million in 2019, up 4.4%. With a market share of almost 24%, the Group is one of the leading airport services providers at this airport. Sky Handling Partner also operates at Shannon airport, which recorded passenger traffic of 1.7 million, down slightly (0.8%) year-on-year.

Faced with the surge in low-cost national airlines at the expense of charter airlines, Sky Handling Partner adopted the strategy of increasing its penetration among scheduled airlines to strengthen its position on the Irish market. The Group's Irish subsidiary also received two new awards in 2019: the Storage Distribution and Transport Award for excellence in its occupational safety and prevention policy, and the Consistent High Achiever Award, in recognition of its consistency in achieving high levels of performance year after year.

In Africa, in 2003 the Group won an exclusive 10-year licence, renewed in 2013 for a further 10 years, to operate at the Brazzaville and Pointe Noire airports in Congo. In 2013, it opened a third station at the Ollombo airport. In 2013, the Group acquired a 25% equity stake in Aéroports du Congo (AERCO), the company that manages Congo's airports.

Since 2007, the Group has provided technical and operational assistance in Mali to the service provider, which operates at five international airports.

In 2010, the Group obtained an exclusive 25-year licence in Sierra Leone to provide ground handling services and cargo terminal operations at Freetown International Airport.

These licences are granted following calls for tender and are subject to compliance with the specifications documents and applicable local regulations.

In May 2017, the Group set up its first operation in the United States at Boston airport. In less than three years, the Group has achieved a five-fold increase in the number of flights handled in the United States.

In 2019, the Group's international business included airport services to 67 scheduled airlines accounting for 162,000 aircraft movements during the year and 15.6 million passengers.

1 Source: Company
2 Source: ACI ranking 2018
3 Source: London City Airport.

GROUPE CRIT, A CHOICE POSITION IN A HIGH-GROWTH MARKET

Thanks to its status as a service provider and its niche strategy of prioritising service quality at any given location, Groupe CRIT enjoys a prime position that enables it to leverage the growth in its airport markets, increase its market share and win new clients.

The Group continuously works to improve the quality of its services in order to meet clients' needs. Indeed, the responsiveness and speed of the teams that make it possible to meet the flight schedule or make up for delays are key elements in this strategy. The Group therefore attaches the utmost importance to selecting and training its staff and ensuring their commitment to the company manifesto.

Therefore, in order to have human resources with recognised expertise at hand, Groupe Europe Handling created an in-house training school, IFMA (aviation industry training institute), guaranteeing the expertise of its ground staff. IFMA provides general training, alongside specific job-based (traffic, runway and transport agent, etc.) "in-the-field" training. In 2019, the IFMA delivered training to 33,500 internal and external trainees.

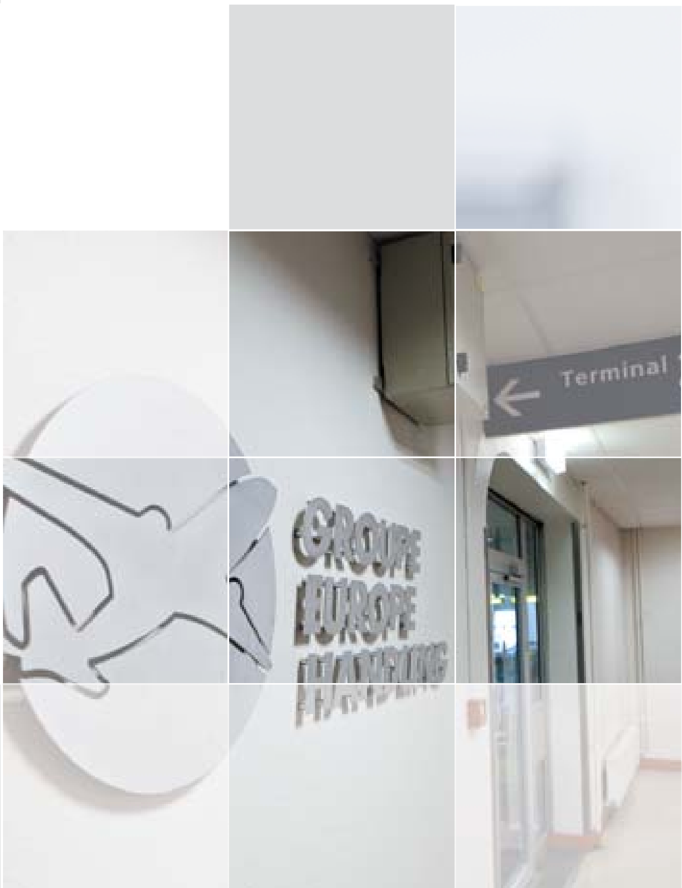
This training leads to certification that is recognised and accredited by IATA and the airlines. Finally, the quality of its human resources management and the favourable employment climate are additional factors that make Groupe CRIT a service provider of choice.

These are major assets that increase the confidence and satisfaction of companies, by offering them the assurance of guaranteed optimal service with a high level of quality and security in the application of procedures.

Thanks to its strong reputation and the improvements in quality of service made by its employees, the Group's airport services division has successfully secured numerous business deals, with new contracts concluded every year in its various markets, and confirmed the trust shown by clients through the renewal of existing contracts.

GROUPE CRIT AIRPORT DIVISION

- Over 466,000 aircraft movements (excluding Paris-Le Bourget business air travel) and 128 scheduled companies served in 2019 throughout the world.
- ISAGO, ISO 9001, OHSAS 18001 and ISO 14001 certification.
- 27 airport services subsidiaries at 2019 year-end.
- A training institute for aviation occupations (IFMA).
- 4 locations in France (Paris-Charles-de-Gaulle, Paris-Orly, Paris-Le Bourget, Nice Côte d'Azur).
- 2 locations in Ireland (Dublin and Shannon).
- 2 locations in the United Kingdom (London Heathrow, London City).
- 3 locations in the Congo (Brazzaville, Pointe-Noire, Ollombo).
- 1 location in Sierra Leone (Freetown).
- Operational and technical assistance services at Mali airports.
- 1 location in the United States (Boston).
- Over 5,100 employees at 2019 year-end: runway, traffic and station agents, supervisors, trainers and managers.
- A wide range of ground handling service equipment: a fleet of more than 1,000 airport machines and vehicles (pushbacks, loaders, cabin crew shuttles, etc.).
- A subsidiary in charge of servicing and maintaining ground vehicles to guarantee the reliability of its airport machines. This subsidiary also services certain items of airport equipment belonging to external companies.



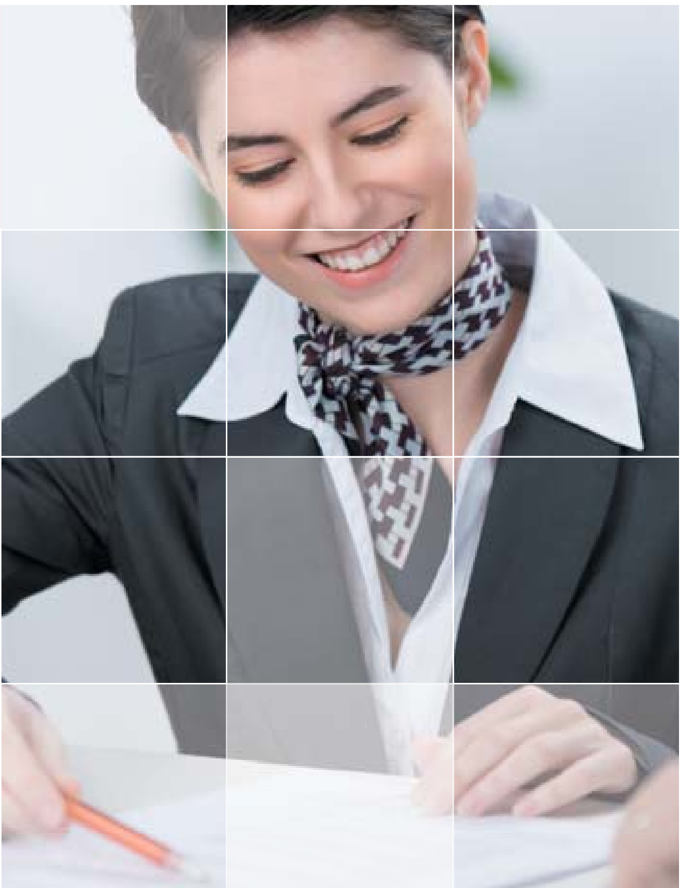
THE AIRPORT SERVICES DIVISION, GROWTH POTENTIAL

France, Ireland, the United Kingdom, the United States and Africa, the markets in which Groupe CRIT operates its airport services division, present solid growth prospects, despite short-term uncertainty (see chapters 1.6 Risk factors; 1.7 Strategy & Outlook and Note 6.3 to the financial statements). On 24 March 2020, the IATA predicted a gradual recovery of air traffic that would not return to expected pre-crisis levels before the end of the year (4).

Beyond these exceptional circumstances, the Group's principal growth drivers rely on the natural development of air traffic, the large-scale ramp-up of airport services handling capacity and the opening up of new routes.

Although we cannot predict the moment at which air traffic will start to recover or when the delayed projects launched by airport management companies will resume, the airport services division should benefit from the ADP group's ambition to make Paris-Charles-de-Gaulle Europe's largest international airport (ahead of London Heathrow and Frankfurt). At the start of 2019, ADP launched a consultation process regarding the planned construction of a major new terminal, T4 at Paris-Charles-de-Gaulle, for a planned opening in 2028. This new terminal, which should be fully operational by 2037, would enable capacity to be gradually increased to handle an additional 35 to 40 million passengers over the next 20 years. This would take Paris-CDG's passenger handling capacity from 80 million to 120 million passengers by 2037.

In the short term, the renovation of terminal 2B at Paris-Charles-de-Gaulle should be completed by summer 2020 (as announced by ADP in January 2020) and its connection to terminal 2D should provide an additional capacity of 6 million, taking its handling capacity to 11 million passengers and promoting the arrival of new airlines at the airport (source: ADP).



In 2019, the completion of the "Paris Orly Nouvel envol" project launched in 2011 should enable Paris Orly to increase its capacity to support the expected increase in traffic at the airport. This major renovation project includes a new "ORLY 3" connecting building inaugurated in April 2019 to link the old West and South terminals, creating one enormous 250 metre-long 80,000 sqm terminal, significantly boosting the airport's handling capacity. In December 2019 and after 18 months of works, the new third runway at Paris-Orly was also brought into operation (source: ADP).

Nice Côte d'Azur airport should benefit from the additional boarding gates at Terminal 1 and an extension to Terminal 2, taking its handling capacity to 18 million passengers by 2021.

In England, London City Airport was given the go-ahead in 2015 to launch a huge expansion programme to increase its air traffic from the current 70,000 flights per year to 111,000 flights by 2023.

The Group, which in 2017 acquired a position at London Heathrow airport with its new subsidiary Cobalt Ground Solutions, should also benefit from the significant growth potential of this airport, which plans to build a third, 3,500-metre runway by 2026. This new runway would increase the annual number of aircraft movements by 260,000 and would increase annual handling capacity from the current 81 million to 142 million passengers. Heathrow, which recorded around 476,000 movements in 2019, would increase its capacity to 740,000 aircraft movements per year. However, this project is on hold pending an appeal lodged by Heathrow Airport with the Supreme Court following the Court of Appeal's 27 February 2020 judgement ruling the project illegal on grounds that the UK government's climate change commitments were not adequately taken into account.

Once the situation returns to normal, the Group should also benefit from its new operation in the United States at Boston airport. This airport, which increased air traffic by over 14,000 flights in 2019, is attracting an increasing number of international airlines (particularly European airlines such as SAS and KLM, served by the Group since 2019), boosting growth in transatlantic travel from Boston Logan International Airport, where the Group has operated since 2017.

To keep in step with changes in its markets, the Group intends to pursue its strategy focusing on the quality of its teams and services in order to ensure new business successes.

Consolidated revenue of the airport services division
(€m)

Groupe Crit,
leading
airport service
provider
in France

2019: AN EXCELLENT YEAR IN AIRPORT SERVICES

Solid growth and high profitability

The airport services division confirmed its status as key growth driver for the Group once again in 2019.

After a year of major growth in 2018, the Group's airport services businesses posted a 7.1% rise year-on-year, taking the division's revenue to over €381 million. Growth at constant consolidation scope and exchange rates was equally solid at 5.6%, following organic growth of almost 12% in 2018. This further year of growth was achieved whilst maintaining a high level of profitability, despite a demanding comparative basis and unfavourable circumstances.

OUTSTANDING PERFORMANCE IN FRANCE – GROWTH ABROAD

Growth was driven by an excellent performance in France, which posted revenue of around €287 million, up 9% including 7.4% organic growth. This performance is particularly noteworthy as it follows growth of 16.1% (14.2% organic growth) in 2018. This development was primarily the result of the expansion of the Group's business aviation operations at Paris-Le Bourget, the leading business aviation airport in Europe. In 2019, its new subsidiary Advanced Air Support International provided assistance for more than 12,000 private and official flights, taking its market share at Paris-Le Bourget airport to 23%. Through this new operation, the Group has strengthened its leading position in France and is now present at all Parisian airport hubs.

The growth in revenue, which was also bolstered by the ramp-up of the division's air freight services, benefited fully from the cargo handling contracts signed in 2018 and the two new contracts signed in 2019, taking the number of cargo flights assisted over the year to 9,000. Since 1 January 2019, the Group has signed 11 long-term contracts (5 new contracts) including the renewal of a major subcontracting agreement with Air France to provide assistance for over 20,000 flights per year. The Group has also signed a major new contract with Qatar Airways to provide assistance for the airline's flights at Paris-CDG 1.

The division's new business travel and cargo flight assistance activities together with the successful new business deals signed during the year enable the Group to consolidate its position as the leading provider of airport services[2] in France, with support provided for over 310,000 flights and over 45 million passengers in 2019.

The Group generated revenue of €94.5 million, up 1.6%, from its international operations. This positive performance was achieved despite the impact of the bankruptcy of Jet Airways on the Group's subsidiary at Heathrow Airport.

The Group's international airport services activities assisted more than 162,000 aircraft movements and 15.6 million passengers in 2019.

Backed by its performance over the year, the Group consolidated its top 10 position among airport services providers globally.

CONTINUED HIGH PROFITABILITY

The Group's strategy of focusing on the operating performance of its businesses has again proven its worth. Despite a challenging comparative basis, the impact of the abolition of CICE tax credit in France and the bankruptcy of Jet Airways, the airport services division maintained a high level of profitability.

Having grown by almost 20% during the previous year, EBITDA for the division (excluding the impact of IFRS 16) rose 1.7% to €35.4 million. Operating margin fell 50 basis points to 9.3%, impacted by the abolition of the CICE tax credit, the Jet Airways bankruptcy and the change in the business mix.

EBITDA including IFRS 16 amounted to €43 million, giving an operating margin of 11.3%.

(1) EBITDA is defined as current operating income before net amortisation and depreciation.
2 Source: Company
3 Source: ADP
4 Source: IATA - airline capacity measured in available seat-kilometres

1.3 OTHER SERVICES: INDUSTRIAL SERVICES

The "other services" division mainly provides engineering and industrial maintenance services. It also includes miscellaneous activities (training, HR management digitisation and passenger services, etc.) that will not be addressed here as their relative weight is immaterial for the Group.

In 2019, the other services division posted revenue of €99.2 million (before inter-segment eliminations), down 4.4% from 2018. The business posted organic growth of 1.8% and 2.1% with data adjusted for days worked. Driven by engineering and industrial maintenance activities, EBITDA[1] for the division (before IFRS 16) amounted to €6.7 million, taking the EBITDA margin to 6.8% for the year.

Change in revenue Other services

(€m)

Industrial engineering and maintenance, the main activities under other services, accounted for over 78% of the division's revenue in 2019.

These activities involve the execution of industrial projects by two Group subsidiaries: ECM, a high-tech engineering and consulting firm, and Maser Engineering, specialised in engineering, installation and new works, industrial maintenance and industrial training.

WITH APPLIED RESEARCH AND DEVELOPMENT ENGINEERING, THE DIVISION'S DIVERSE PORTFOLIO GIVES IT A FORWARD-LOOKING POSITION

Research and technology: The Group's subsidiary ECM has many years of experience in mechanical engineering and structural materials. Often at the forefront of technological breakthroughs, it carries out extensive research into reducing vehicle weight and enhancing the performance of on-board equipment, both on its own behalf and for its clients. During the advanced phases, ECM participates in defining structural concepts in composite materials and develops innovative vehicle driver assistance systems.

BUSINESS GEARED TOWARDS BUOYANT, FAST-GROWING MARKETS

The Group confirmed the merits of its strategy of positioning its engineering subsidiary ECM in R&D derivative markets and high value-added operations. In particular, this strategy calls for ramp-up and increased specialisation in order to develop innovative applications and high-tech consulting for the aeronautics or automotive sector. The "professional engineering" sector is currently occupied by increasingly large generalist players. Business combinations continue to take place creating these very large companies. The purchases of major industrial firms increasingly connect with these behemoths creating closed groups. ECM operates within this environment and takes advantage of this strategy of specialisation which provides it with access to value-added niche markets with major growth potential.

In 2018, in line with the activities undertaken in R&D derivative markets, ECM launched a connected objects specialisation through the creation of a Mechatronics and Systems Engineering department. The department specialises in the creation of on-board equipment for the acquisition and transfer of data to be used by driving assistance systems. The patents derived from these studies were filed in 2019, subjected to originality assessments and deemed usable. ECM, which has already signed a co-development agreement with a German company, intends to capitalise on its work by creating an automotive application with a number of other European companies. The development of ECM's systems engineering department is gathering pace thanks in particular to the support of Groupe CRIT in the context of targeted acquisitions in the aerospace and defence sectors.

ECM has also consolidated its progress in the interior fitting of aircraft as per the EASA-DOA part 21 J certification (European Aeronautic Safety Agency). Aircraft modifications and interior fitting represent high value-added activities due to the level of knowledge and responsibility involved. This business line largely makes up for the downturn in aerostructure projects and now offers access to larger-scale and more frequent business. Here again, despite a highly competitive environment, in 2019 ECM succeeded in expanding its offer originally intended for MRO companies towards aircraft lessors and airlines.

Through the ongoing negotiation for the sale of Rafale aircraft and the compensation typical of these types of markets, ECM was selected by Dassault Aviation to support the industrialisation of this scheme and develop the company's Offset programme. ECM will draw on its long-standing experience in industrialisation and manufacturing methods for this type of aircraft and created an Indian subsidiary in 2019 dedicated to tooling manufacture.

ECM was also selected by Dassault Aviation to participate in the development of a new business aircraft for which the development phase, which began in 2019, will last for 5 years.

ECM also relocated in 2019, moving into Groupe Crit's new head office building in Paris. This new location in an emblematic building boosts its image and confirms its standing as a leading technology engineering, consulting and research firm.

The company's revenue amounted to €26.4 million, up slightly (0.5%) from the previous year. In 2020, ECM plans to capitalise on all recently implemented measures and continue to drive organic growth while hoping to secure a number of targeted acquisitions.

R&D expenses incurred in 2019 amounted to €2.4 million, representing an even more sustained effort in this regard than the previous year.

Finally, ECM intends to launch new research projects in 2020, to be rolled out pre-sale for so-called disruptive technologies in composite materials, fuel cells and artificial intelligence.

ECM has been impacted by the COVID-19 crisis, which has significantly affected most of its customers. ECM's activity rate plummeted below the 25% mark in the second half of March to reach a low of 18% at the end of the month. Management immediately implemented economic and social measures adapted to the situation: all employees affected were placed under short-time working arrangements, salaries maintained for young apprentices, regular communication with employees and all clients, and continuous research into work-at-home solutions.

MASER ENGINEERING: OVER 40 YEARS' EXPERIENCE AND 4 AREAS OF EXPERTISE

In keeping with its policy of client proximity, the Group enjoys national coverage for its engineering and maintenance business, with 11 locations across France.

MASER Engineering posted 2019 revenue of €51.3 million, up slightly (0.4%) from 2018.

In 2019, MASER Engineering's commercial operations were primarily focused on securing the strategic markets of its historical sectors in the long term and renewing key business contracts. The signing of long-term contracts with ADP Roissy CDG, Airbus, Heineken, Nordex, Siemens-Gamesa, Dassault and Chantiers de l'Atlantique thus enabled it to build a firm order book worth over €52 million and create long-lasting operational visibility.

Having specialised in engineering consulting for over 15 years, MASER Engineering is fully engaged in industrial process performance and optimisation as part of a continuous improvement process. In order to create a more connected and eco-friendly industrial sector, MASER Engineering also supports its clients in addressing the challenges of the fourth industrial revolution.

Teams of MASER Engineering technicians and engineers work at all of the Airbus group's plants in France. They are fully involved in a wide range of manufacturing and maintenance engineering, asset management and ergonomics projects.

MASER Engineering also has recognised experience in industrial process installation and optimisation and provides support to manufacturers for their projects involving the installation, transfer or modernisation of their production and operating units and equipment.

Via a partnership renewed until 2030, MASER Engineering is involved in vessel construction, renovation and maintenance for Chantiers de l'Atlantique, providing installation and fitting (of passenger cabins in particular), process optimisation services and studies.

MASER Engineering offers globalised industrial maintenance solutions tailored to clients' expectations. Through a combination of maintenance methodology, nationwide expert coverage and a structured local network, MASER Engineering is able to offer improvement plans, contribute fully to industrial process performance, achieve productivity gains and ensure the safety of people and equipment.

Through its strategic locations and proven expertise in the automotive sector, of which it is a long-standing partner, MASER Engineering plays an active role in improving the reliability of robotised machinery at the Poissy site and is involved in the PSA Peugeot Citroën electric vehicle scheme, one of the French automotive industry's flagship projects. MASER Engineering also provides operational maintenance solutions for the Renault-Nissan Group's production lines and is supporting the upcoming launch of the Kangoo utility vehicle produced at Renault-Nissan's Maubeuge plant.

Moreover, in order to meet the growing lubricant processing requirements of the leading wind energy providers, MASER Engineering has drawn on its wind turbine maintenance experience to offer an innovative solution comprising a unique specially designed drainage truck. After two years of development, this patented vehicle fitted with high-performance technology meets safety requirements as well as European standards on the transport of dangerous goods. It is within this context that MASER Engineering has signed a contract with the Nordex, Total, Engie, Siemens-Gamesa and EDF groups for wind farm maintenance and drainage.

Furthermore, by renewing the contract with Groupe ADP (Aéroports De Paris) and signing new contracts with Strasbourg, Toulouse, Brest and Nantes airports, MASER Engineering has consolidated its position as the French leader in passenger bridge maintenance. MASER Engineering teams currently provide 24/7 maintenance for around 300 passenger bridges.

Finally, MASER Engineering Consultancy & Training offers a comprehensive and customised service adapted to all industrial sectors. The Digital Learning division supports companies and training centres in their digital transformation by designing multi-modal or Blended Learning pathways (e-learning, virtual reality, serious games, etc.), while its industry expert unit lends its training management know-how (aeronautical manufacturing, industrial maintenance systems, safety training, etc.). MASER Engineering works with some of the leading players in the aerospace sector throughout France and in all manufacturing functions (detail parts and aircraft). More than 1,400 interns received training from its educational teams in 2019.

Following a year of operational consolidation, MASER Engineering is set to reap the rewards of its sector diversification strategy.

As with ECM, MASER Engineering has been impacted by the coronavirus pandemic. As the business sectors in which it operates (airport services, automotive, aerospace, shipping and wind energy) are highly correlated to GDP, they have been significantly affected since mid-March by the measures taken to limit the spread of the pandemic and their direct impact on the economy. Management immediately implemented the necessary measures in this regard: short-time working measures, business continuity plan, maintenance of the company's operational capacity, and all available protective measures so as to limit the risk of infection among its employees.

(1) EBITDA is defined as current operating income before net amortisation and depreciation.

ENGINEERING AND MAINTENANCE

Research, engineering, high-tech consulting, engineering and integration of production methods, installations and new works, industrial training and maintenance

- ISO 9001, CEFRI (nuclear), EN 9100 qualifications
- DOA PART 21J certification by EASA (European Aviation Safety Agency)
- R&D Training and Laboratory accreditations
- Approval by the French Ministry for Research and Higher Education as private research laboratory
- Companies that are members of GIFAS, SYNTEC, CETIM, AFIM, GIM, POLEPHARMA, ALFA-ACI, Nucleopolis, Aerospace Valley, the ASTECH business cluster, the MOVEO business cluster, Aérocampus Aquitaine, AIF, France Energie Eolienne, Formation des Industries Technologiques, city of Le Mans, Sarthe Développement and Windustry
- Average workforce of 800 people in 2019, mostly comprising engineers and technicians
- CAD computer population, multiphysics calculation, complete and secure PDM

1.4 GROUP ORGANISATIONAL STRUCTURE

A PARENT COMPANY AT THE SERVICE OF ITS SUBSIDIARIES

Groupe CRIT is the active holding company that coordinates the group formed with its subsidiaries.

Its operations are at the service of the Group, focusing on the following main lines of action:

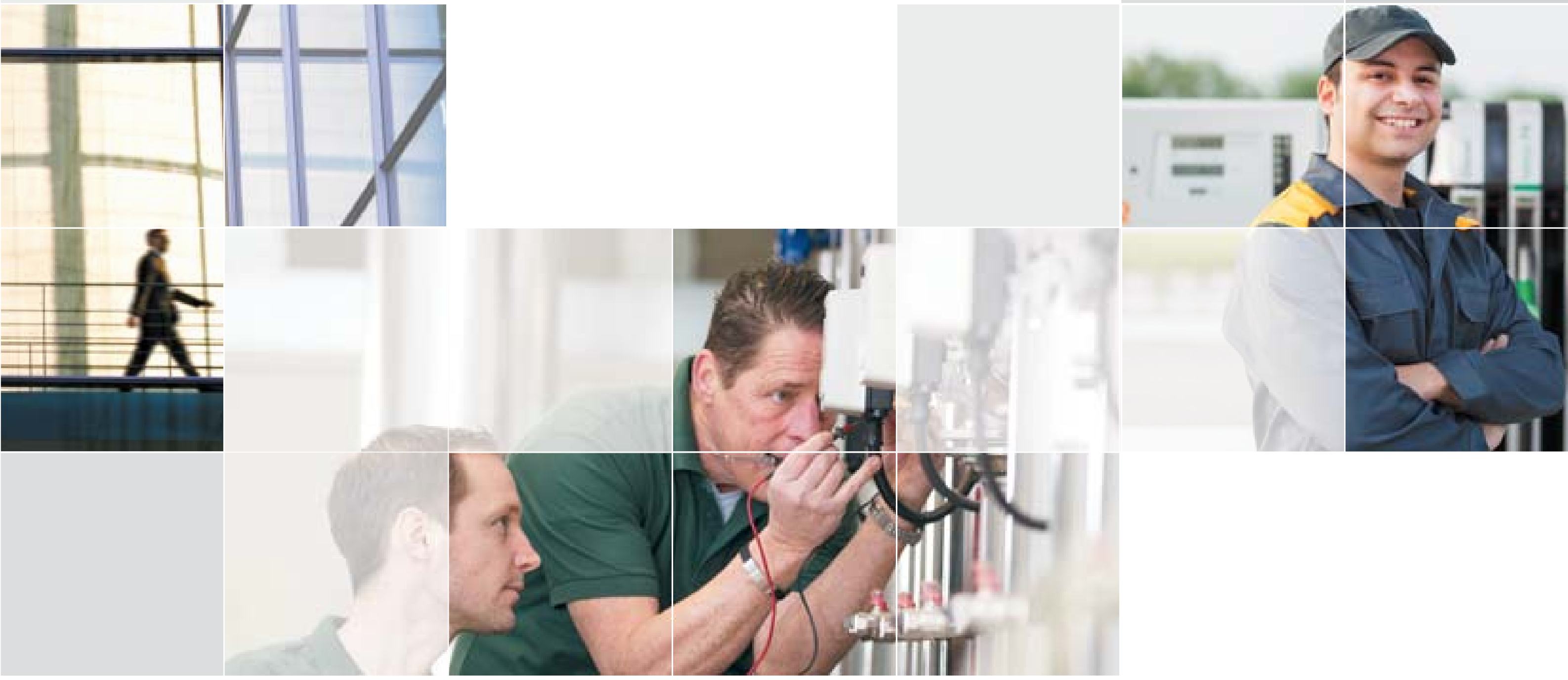
- Prepare and inspire the development strategy;
- Exercise control over the subsidiaries;
- Give direction to the Group;
- Facilitate coordination of business lines and units;
- Determine and coordinate joint actions: marketing campaigns, purchases, quality and human resources management;
- Develop the shared tools and methods used by Group companies: IT system, management system, project management, etc.;
- Coordinate the general subsidiary functions;
- Provide advice and assistance to subsidiaries in areas that require specific or ad hoc expertise;
- Manage and centralise cash for all Group companies.

The main cash flows between Groupe CRIT and its subsidiaries besides dividends relate to the fees paid by the companies in the temporary staffing and recruitment division for services received, the billing back of the share of expenses borne on behalf of various legal entities (insurance policies and vehicle fleet contracts, etc.) and cash loan repayments.

The Group's subsidiaries are organised in the following business lines (data computed before inter-segment eliminations):

- Temporary staffing and recruitment: this business line, which posted 2019 revenue of €2,034.4 million, comprises four operating subsidiaries in France and a further 16 abroad (in Germany, Spain, the United States, Morocco, Portugal, Switzerland and Tunisia). Business generated by foreign subsidiaries accounted for 24.4% of the division's total revenue.
- Airport services: this business line, which posted 2019 revenue of €381.1 million, comprises 17 operating companies in France and 10 companies operating abroad (in Congo, Ireland, United States, Morocco, United Kingdom and Sierra Leone). Overseas business accounted for 24.8% of the division's total revenue.
- Other business services: this business line groups together the other activities of the Group – digital data transfer and management, engineering and industrial maintenance, hospitality services and training – carried out by 5 subsidiaries operating in France which generated total 2019 revenue of €99.2 million.

A simplified Group organisation chart is presented on page 7. The complete list of subsidiaries and equity interests of the Group is itemised in the notes to the consolidated financial statements.



The positions held by the corporate officers of Groupe CRIT within Group subsidiaries are itemised in chapter 4 section 4.1 of the Universal Registration Document (available in French).

The main changes to the organisational structure in the last three years were as follows:

2019

In the other services division, with effect from 7 January 2019, the Group sold its entire equity stake in CRIT Center, an industrial tools and equipment wholesaler.

2018

With regard to the airport services division in France, the Group acquired (through a new subsidiary named **Advanced Air Support International** set up for this purpose) the airport service operations of Advanced Air Support, Jet Services Group and Jet Ops operating at Paris-Le Bourget airport.
This acquisition, effective from July 2018, enabled the Group, already airport service provider at Roissy and Orly airports, to establish a position at Paris-Le Bourget, Europe's largest business aviation airport, and to operate at all airport hubs in Paris.
As a result, the Group expanded its area of operation and expertise in the burgeoning business aviation market.

2017

The Group pursued its expansion strategy in the North American temporary staffing and recruitment market by acquiring the assets of **EHD Technologies** through the Group's US subsidiary Sustained Quality in February 2017.
Based in Tennessee with locations in Alabama, South Carolina and Missouri, EHD Technologies specialises in inspection and quality assurance services for the automotive, industry and electronics sectors as well as in recruitment and outsourcing of skilled work.
On 26 June 2017, through its subsidiary Groupe Europe Handling, the Group sold an 11% stake in the share capital and voting rights of **Congo Handling**, a ground handling service provider at Brazzaville, Pointe-Noire and Ollombo airports, thus reducing its investment in this company from 61% to 50%.
The sale was carried out in order to comply with mandatory local regulations stipulating that ground handling services may only be provided by companies incorporated under Congolese law in which at least 50% of the share capital is held by the Congo government or Congolese nationals.
Following the transaction, Congo Handling's authorisation to provide ground handling services was extended by a further renewable 5-year term.
On 1 September 2017 the Group sold its entire stake in **Assist'Air**, a ground handling service provider at Las Américas International Airport, Santo Domingo (Dominican Republic).
Furthermore, in response to Air France's decision to engage Groupe Europe Handling to provide runway services at the Orly West hub from 1 April 2017, the Group set up a new subsidiary, Orly Ground Services.

HUMAN RESOURCES, THE LIFE FORCE OF THE GROUP

Groupe CRIT has always considered human resources to be its primary asset. All of its staff, whether permanent or temporary, employees or managers, form the life force of the Group and are the primary sources of its strength and vitality.

Human capital is all the more precious in a services and human resources group – it is people who drive a company's success. Keenly aware of this fact, the Group has placed support to all employees, be they permanent or temporary, at the core of its human resources management policy.

The principal focus of the human resources policy is skills development to give all employees the opportunity to develop their careers, matching their own aspirations as well as Group requirements. They have annual performance reviews and receive training throughout their careers, enabling them to advance within their department or take up other career opportunities within the company. The Group integrates new employees fully by providing a blended-learning induction process via an e-learning platform launched in 2020 and close support during their first few months with the company. This support promotes the Group's corporate culture, founded on shared values.

Every year the Human Resources Development Committees (HRDC) gather the results of one-to-one interviews and decide on measures to be taken in order to guarantee the continuous development of professional skills and performance of each individual. These committees conduct a comprehensive annual review of human resources in order to reduce the risk of gaps arising between staffing requirements and available skills. Their aim is to meet employees' aspirations in terms of career prospects and to identify employees who could be promoted to higher levels of responsibility.

Since 2017 the company has used a specific HR IT system offering complete digital and interactive management of annual performance reviews, HR development committees and career management. This collaborative portal provides real-time consolidation of information for managers and HR and training departments. Each employee has an account giving access to all HR information and the employment market.

With over 200,000 temporary employees assigned each year, temporary human resources, key to the development of the Group's temporary staffing and recruitment division, are also central to its HR policy. Participating in the career development of its temporary employees, enabling them to make full use of their skills, acquire new ones and increase their employability are among the priorities of the Group.

In France, this determination, shared by the entire profession, led to the creation of an open-ended temporary employment contract (CDII in French) for each sector agreement. The Group launched the CDII in 2015. As expected, this new contract became fully operational in 2017 and in 2019 the Group passed the threshold of 2,500 CDII contracts signed. All business sectors are involved, with two dominant sectors, automotive and logistics.

In the context of the new agreement to develop employee skills and qualifications, the industry has reaffirmed its goal of increasing the annual employment period of temporary workers in order to shorten times between jobs and optimise a company's investment in recruiting and training temporary workers.

Since 2016, with the same aim of developing temporary workers' employability, temporary staff have been offered the option of having a performance review similar to that of the Group's permanent employees. Temporary employees who have worked a minimum of 1,600 hours over the previous 24 months, including at least 800 hours during the previous calendar year, are now eligible as are all CDII temporary workers. In 2019, performance reviews were offered to around 7,000 temporary workers, giving them the chance to discuss their skills and future career possibilities (employment and qualifications) with their employers.

These support plans are managed and coordinated by the Temporary Human Resources Regional Managers appointed for that purpose in each of the regional offices. In 2016, the Group established a department dedicated to social policy for temporary workers in order to promote the interests of temporary employees with HR. This department is part of Human Resources and its mission is to coordinate and optimise the various services dedicated to the social and professional guidance of temporary employees; social development, workplace accidents/work-related illnesses, and Temporary Human Resources Regional Managers. This department is a reflection of the Group's commitment to measures that both increase temporary workers' employment period and safeguard their social position. It also manages the Group's CSR commitments.

The Group also pursued the co-investment policy to promote use of the personal training account *(Compte Personnel de Formation* or CPF) among temporary workers.

Finally, it should again be noted that a time savings account *(Compte Epargne Temps* or CET) for temporary workers was created in 2015. The benefits of this agreement have been extended to people working under open-ended temporary contracts.

The Group has also committed to developing a policy of corporate social responsibility. As the first temporary staffing company to be QSE certified (Quality, Safety, Environment), the Group has for many years been committed to helping society by promoting the employability of specific underemployed groups (such as low-

Numbers of permanent employees in Groupe Crit

(Permanent and fixed-term at year-end)

skilled and unskilled workers, older workers, disabled people, recent graduates, etc.). This policy is in line with the commitment made by the Group to adhere to the fundamental principles of the United Nations Global Compact. The CSR actions implemented have earned the Group recognition in this area: Gaia Index, EcoVadis Silver rating, etc.

The Group's efforts are reflected in the increasing number of young employees within the Group on work-study contracts (apprenticeship and professional training contracts).

In addition, a number of measures have been put in place aimed at helping disabled people obtain and stay in employment within the Group, such as the provision of work placements, mentoring and the redeployment of permanent employees, thanks to workplace adaptations.

The Group is aware of the issues raised by its business in each employment area and has therefore set up partnerships with local stakeholders in employment, training and inclusion to help drive skills sharing in order to serve the employment market and job seekers alike.

National commitments are broken down by region or local area in order to adapt initiatives to the specific needs of companies and job seekers in each area. As a result of these initiatives, 350 individuals isolated from the employment market have benefited from a customised professional integration course to facilitate their return to work.

Moreover, 700 people have received occupational training enabling them to earn a professional qualification or diploma.

CRIT is a stakeholder in "Cercle Jeunes Destination Entreprises", a group of companies that discuss issues relating to the employment of young people. This think tank meets monthly to address a theme put forward by researchers or professionals in inter-company round tables to spark constructive discussions on the measures to be implemented.

As a stakeholder in the employment market, CRIT works alongside institutions, schools and associations that cooperate to promote inclusion through economic activity. It is within this framework that the company has signed and leads numerous partnerships such as the EPIDE or alongside the many Missions Locales. This cooperation leads to the preparation or employment of individuals isolated from the employment market. The investment usually taken the form of skill sponsorship of permanent employees: CV writing support, interview preparation, career presentations, etc. These tangible measures develop a sense of belonging to the Group and may lead to Groupe CRIT or one of its clients hiring the individuals supported.

In a number of the regions in which it operates, CRIT also joined the PAQTE initiative, which provides a formal framework for developing the company's local commitments to inclusion through employment in particular.

Crit also joined the Corporate Association for a More Inclusive Economy in February. This voluntary programme supported by major French corporations aims to provide pragmatic and tangible solutions to problems shared by many in France. Focused on employment and training, access to goods and services and the development of inclusive procurement, the work carried out by the association correlates with the objectives set by Crit's HR policy.

Since 1998, Groupe Europe Handling, Groupe Crit's airport services subsidiary, has been the Vice-President of JEREMY, an association for young people in search of employment at Roissy and Orly. This association, which brings together partner companies, looks after the integration and training of severely underprivileged young people in Greater Paris, in airport services jobs. Since JEREMY was set up, around 46,500 young people have been supported and trained and have found permanent jobs. The Group has taken on more than 600 young people as interns in its entities, including 116 in 2019.

In Ireland, Sky Handling Partner, another Group airport subsidiary, has received a number of awards for its human resources management, training and staff well-being policies (Excellence Through People Award), and for its workplace health and safety policies (Irish Transport Industry Safety Award and National Irish Safety Award). Having been recognised in the Transport category at the Occupational Safety Awards for the seventh year running thanks to the excellence of its occupational safety and prevention policy, the Group's Irish subsidiary received two new awards in 2019: the Storage Distribution and Transport Award for its occupational safety and prevention policy, and the Consistent High Achiever Award, in recognition of its consistency in achieving high levels of performance year after year.

To promote diversity and combat discrimination, the Group has implemented a Diversity and Equal Opportunity Plan and has set up an internal steering programme with a national manager and regional agents.

The Diversity and Equal Opportunity Plan is rolled out over a number of areas and includes bringing procedures into compliance, developing networks, internal and external communication and substantial training and awareness-raising initiatives aimed at all employees. Training modules specifically devoted to recruiters are rolled out gradually in each region by the team in the Group's social development department which manages the diversity plan.

Since 2017, the Group has offered employees working in branch recruitment departments and support functions a one-day training course entitled "Recruitment and induction without discrimination". Classroom training sessions have also been arranged on a regular basis since 2017, aimed at employees working as recruiters. Furthermore, the Group offers awareness programmes on these subjects to all employees in management positions.

The policy which the Group has implemented for several years to help disabled workers find employment is cemented through partnerships with organisations and associations dedicated to disabled workers, particularly Agefiph and Fagerh. Since 2006, the Group's commitment has been carried by the Mission Emploi et Handicap programme implemented via designated officers in each Crit region. This mission serves both permanent staff, primarily through employment retention schemes, and temporary workers

TRAINING, A GUARANTEE OF CONSTANT UPSKILLING

Vocational training is at the core of the Group's human resources policy and plays a key role in the Group's development. Whether aimed at permanent or temporary employees, training offers operational support to one and all. Training drives employability and performance and enables recipients to constantly adapt to legislative, technical and market requirements.

The professionalism of its permanent and temporary employees ensures Groupe Crit's competitiveness and helps it meet its clients' demands for quality of service.

In 2019, Groupe Crit provided over 780,000 hours of training to over 20,000 permanent and temporary employees.

To implement its internal training policy, the Group has two dedicated training centres for internal employees: RH FORMATION for all Groupe Crit temporary staffing and cross-disciplinary occupations and IFMA specifically for the airport services sector.

as well as providing advice to clients. Since 2015, the number of job assignment hours entrusted to temporary workers officially recognised as disabled has grown by almost 40%. The Group has actively engaged with its professional trade union in order to play a full role in government consultations on the access of disabled workers to the employment market. This dialogue has enabled the creation of schemes that strengthen the role played by temporary staffing in helping disabled persons to find jobs.

The health and safety of all employees, whether permanent or temporary, has been one of the Group's priorities for many years. This policy, which is largely reflected by the OHSAS 18001 certification first obtained in 2005, is implemented through prevention, awareness-raising and specific training measures and initiatives aimed at permanent employees, temporary employees and client companies. As noted above, the company has implemented a range of measures in this area and provides legal assistance related specifically to arduous work in an attempt to maximise the effectiveness of this measure.

In 2017, the temporary staffing division strengthened its commitments regarding safety at work. It signed an agreement establishing specific monitoring of temporary worker victims of workplace accidents off work for more than 30 days as a result.

TRAINING OF PERMANENT EMPLOYEES: FROM "CATALOGUE" TRAINING TO "CUSTOMISED" TRAINING

Groupe Crit implements an ambitious and effective training policy. Each year the Group devotes significant financial resources beyond its statutory and contractual obligations to support its training policy. It has implemented a number of schemes to promote the integration and employability of its employees and match its training initiatives to client requirements.

The first phase of the programme helps employees to learn about the industry and the specificities of the regulatory and professional environment of temporary staffing and recruitment agencies.

Beyond these first modules, which give each individual a stronger professional base, employees are supported through targeted operational modules addressing concrete issues directly linked to changes taking place in the profession in a challenging economic and competitive environment. The training programmes cover the four main agency functions: recruitment, marketing, management and operational administration.

Therefore, by addressing needs as closely as possible, through precise, concrete and practical topics, training becomes more functional and easier to transpose.

Since the performance review was brought into effect in March 2016, this capacity to customise the contents of training programmes has ensured that Groupe Crit can address the following two requirements for employee professional development on a long-term basis:

- Offer training courses that will enhance technical and behavioural skills,
- Take part in the professional development of each individual by offering value-added training in order to develop the expertise of each and every one, promote career prospects for all and ensure that the company has the level of expertise necessary for its development.

This in-depth work has led Groupe CRIT to revamp its training strategy to ensure that all those involved in the day-to-day running of the branches are equipped to face daily challenges and continue to improve in their professional practice.

The ultimate assurance is that the people who represent the company can guarantee the quality of services and support that Groupe CRIT offers its clients and temporary workers.

INCREASING TRAINING FOR TEMPORARY WORKERS

Supporting the professional development of its temporary workers, providing them with new skills, facilitating their acquisition of know-how and enhancing their employability are some of the main pillars of Groupe Crit's HR policy underpinning the training plan. During the year, the Group provided training to over 15,000 temporary employees who received more than 630,000 hours of training. These figures reflect the Group's desire to ensure that the success of its temporary workers makes a key contribution to the performance of its corporate clients. This goal is achieved through a number of schemes designed to promote the integration and employability of Group employees and to precisely meet clients' needs and the specific demands of each employment area.

The advice provided by the Group's training teams, all experts in financial and educational engineering, helps branches to identify skills requirements and develop suitable training courses.

Crit's temporary employees enjoy individual support in the Group's branches.

In each region, Crit's training teams provide tailored training solutions in the areas of education, organisation and finance. Drawing on their knowledge of professions, the employment area and available training programmes, these engineering specialists create tailored training paths to meet client needs whilst optimising training budgets.

In order to achieve this, the Group will henceforth work closely with AKTO, a new skills operator (OPCO) that has replaced FAF TT, the sector's training fund collection agency (OPCA). It also relies on other partners that are able to contribute to the development of viable and appropriate training paths (employment centres, local entities, regional OPCO branches, etc.). The Professional Future Act, enacted on 5 September 2018, profoundly changed the professional training and apprenticeship landscape, giving rise to the creation of AKTO, a new skills operator (OPCO) for labour-intensive services combining 32 industry sectors including temporary staffing. AKTO covers some 250,000 companies, 4 million employees, €1.7 billion of revenue and is a major player in professional training. Through Prism'Emploi, CRIT holds a seat on the board of directors, AKTO's decision-making body. It was Groupe Crit's HR department that led the partner negotiations resulting in AKTO's founding agreement, bringing together 5 former OPCAs: OPCALIA (inter-professional OPCA run by MEDEF and the national trade union confederations), INTERCROS (wholesale sector), FAFIH (all hotel and restaurant businesses), FAFTT and the Transport OPCA for waste management.

Within this constantly changing environment, the expertise and adaptability of the training team enable it to analyse, design and then implement highly customised training resources based on the type of training, its duration, the qualification targeted and the intended audience: professional training programmes or work-study schemes, including temporary internship or professional training contracts, employability contracts for temporary agency workers (CIPI), professional development contracts for temporary agency workers (CDPI) and or collective operational preparation for employment (POEC).

The Group maintained these training programmes throughout 2019, providing over 900 work-study schemes and carrying out more than 1,300 training projects via the Personal Training Account (CPF).

The training teams continued to organise a large number of regional events for both permanent and temporary workers. These took a variety of forms: individual or group information sessions, meetings, talks, personal guidance, etc. In particular, they helped to:

- disseminate information on developments in training schemes (skills assessment leave, recognition of prior experience, personal training account),
- provide information, via FAST-TT and FAF-TT advisers, on available welfare schemes (housing, mobility, childcare, etc.),
- raise awareness about the Personal Training Account (how it works, account opening, inclusion of learning hours, eligible training programmes, joint creation of a training plan).

In 2019, Crit's training teams thus supported permanent and temporary employees in their career development and provided training leading to the award of over 8,300 professional qualifications. CRIT was keen to maintain in 2019 the training offered in connection with the temporary employee career stabilisation fund (FSPI), which aims to increase the duration of employment for temporary workers. The Group has given a commitment to workers eligible to participate in this scheme. Each eligible employee wishing to develop a personal plan goes through the initial assessment stage to examine the details of his or her plan and any advantages and constraints concerning its implementation. After this initial step, in which the feasibility of the employee's plan is confirmed, individual support is set up to carry out and monitor the actions needed to implement it.

This support phase covers two dimensions of development identified by social partners, namely:

- the professional dimension, through measures aimed at enhancing and developing employability, such as training initiatives and courses to acquire new skills, a new qualification or a new diploma, support towards the VAE scheme to enable the employee to obtain a diploma in recognition of his or her professional experience (vocational diplomas such as CAP, Bac Pro or BTS), the organisation of skills assessments or career assessments in view of a career change, etc.
- the social dimension, which becomes a fully-fledged component of the thinking on employability, focusing in particular on mobility assistance, housing, administrative formalities (drafting of documents, etc.) and help with job search techniques (CV drafting, interview preparation, etc.)

CRIT carries out these specific initiatives to strengthen its employees' career paths and stabilise their personal status so as to increase their rate of employment.

As noted above, in 2019 the company again made the performance review available to its most loyal temporary workers. As such, in 2019 around 7,000 eligible temporary workers had the opportunity to discuss with the company their career and development goals within their profession or towards another profession. The roll-out of performance reviews for the most loyal temporary employees aims to enhance their employability and inspire branch staff as well as training support services and regional human resources managers for temporary workers.

A SPECIALISED TRAINING CENTRE FOR AVIATION OCCUPATIONS

Groupe Europe Handling, the airport services subsidiary of Groupe CRIT, has its own training entity, the IFMA (Aviation Industry Training Institute) that enables it to fully cater to its needs and actively contribute to improving the skills of each employee. This institute is ISO 9001, ISO 14001 and OHSAS 18001 certified and approved by the International Air Transport Association (IATA) for training in regulated dangerous goods. It is also a member of the Security Charter of Roissy Charles de Gaulle airport and accredited by ADP (Aéroports de Paris) for providing driver training in traffic and manoeuvring areas. IFMA runs learning programmes throughout the year aimed at employees of the different airport services branches. All training programmes include feedback from the Group. Whether runway, traffic or transport agents, each employee follows a training programme that leads to a recognised qualification.

Drawing on its technical expertise, IFMA also offers its services to external clients and provides training in mainland France, the overseas territories and abroad. IFMA trained around 33,500 internal and external trainees in 2019.

QUALITY, SAFETY, ENVIRONMENT – MANAGEMENT OF A SOCIALLY RESPONSIBLE COMPANY

In 2005, CRIT became the first temporary staffing company to be QSE-certified for all its sites:

- ISO 9001: Quality management system
- ISO 14001 Environmental management system
- BS OHSAS 18001: Occupational health and safety management system

Today, 25 CRIT branches are CEFRI certified (nuclear sector) and 10 branches are MASE certified (chemicals and petrochemicals).

These certifications are a testament to CRIT's determined commitment to a long-term approach to management and progress.

The company's global performance management system encompasses this policy with regard to quality management, occupational health and safety and the environment.

CRIT'S QUALITY, HEALTH & SAFETY AND ENVIRONMENTAL POLICY IS POSITIONED AT THE VERY HEART OF THE COMPANY'S OPERATION IN ORDER TO ENSURE THE DEVELOPMENT, SUSTAINABILITY AND SATISFACTION OF CLIENTS AND EMPLOYEES

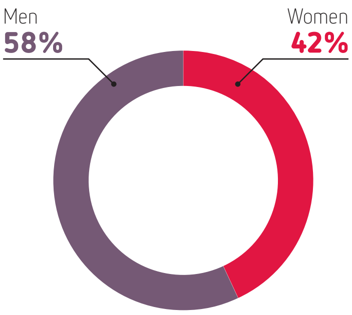
In an increasingly competitive market undergoing full-scale transformation, one of the major thrusts of Crit's QSE policy is the long-term retention of clients and temporary workers by offering bespoke solutions and supporting its workers' career plans.

For CRIT, the occupational health and safety of its employees, both permanent and temporary, is a priority. In 2019, CRIT will prepare the migration of its OHSAS 18 001 system to the new 45 001 certification, the world's first international standard for occupational health and safety.

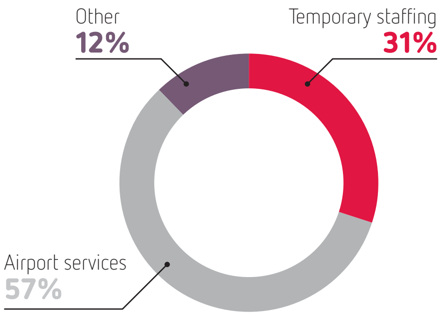
Protecting the environment is absolutely essential, and should be a common goal shared by all. This is why CRIT has been committed to a process of controlling, reducing and preventing pollution and the impacts of its operations on the environment.

CRIT is aware that, without the contribution of its employees, the QSE policy cannot be applied. This is why CRIT continuously raises awareness amongst all of its personnel regarding these issues, given that employees form the life force of the company and are the primary source of its strength and vitality.

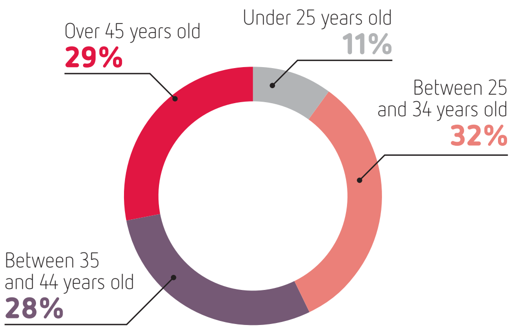
Breakdown of permanent workforce in 2019



Breakdown of permanent workforce by occupation



Breakdown of permanent workforce by age



1.5 INVESTMENT POLICY

CAPITAL EXPENDITURE

The temporary staffing and recruitment business, for which capital expenditure (excluding IFRS 16 right-of-use assets) totalled €3.5 million over the year, is not capital-intensive by nature, except for the external growth transactions described below.

As regards the Group's other activities, only airport services are likely to require significant investment in France and abroad, depending on the number of new contracts. The marked reduction in investment in this sector (excluding IFRS 16 right-of-use assets) is due to the fact that 2018 capex included a €6 million investment in a hangar for medium-haul aircraft at Paris-Le Bourget airport.

The Group believes that, excluding external growth and lease right-of-use assets, the level of investment required to maintain its business assets is around €20 million.

Most investment is concentrated in the airport services sector, as set out in the following table:

€000	31/12/2019	31/12/2018
· Temporary staffing and recruitment	3,520	2,651
· Airport services	5,143	12,738
· Other	1,147	691
TOTAL	9,810	16,080

Including right-of-use assets:

- operating leases totalling €12.5 million in 2019, around 80% of which relates to real estate as detailed in Note 1.2.1 to the financial statements;
- finance leases totalling €4.8 million in 2019 versus €5.5 million in 2018;

capital expenditure amounted to €27.1 million in 2019 versus €21.6 million in 2018.

€000	31/12/2019	31/12/2018
· Temporary staffing and recruitment	12,152	2,651
· Airport services	13,083	18,242
· Other	1,869	691
TOTAL	27,104	21,584

EXTERNAL GROWTH

The Group remains alert to new acquisition opportunities, which are natural business development accelerators. This approach is implemented with measurable profitability goals and control of the Group's financial balances in mind (cash flow, debt, leverage, etc.).

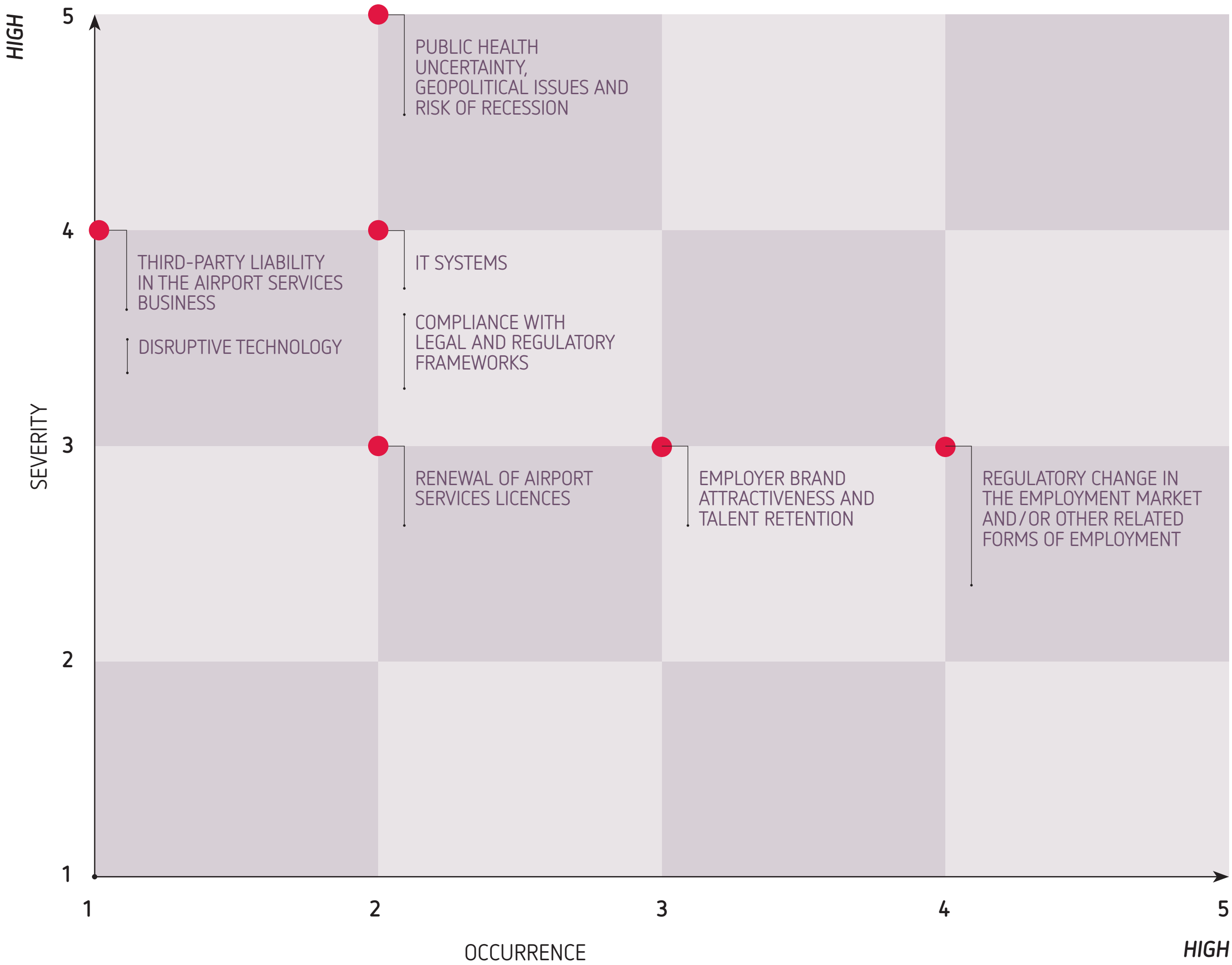
1.6 RISK FACTORS

Groupe CRIT implements a risk management policy based on the following principles:

- Identification and periodic review of its risk portfolio,
- Implementation of a risk prevention policy,
- Financial hedging against the consequences of these risks if they were to occur.

The Group updated its risk map in 2019. Those risks likely to have a material negative impact on the Group's business, financial position, earnings or capacity to achieve its targets were identified. Based on this review, the table below summarises risks in accordance with their severity and likelihood of occurrence.

Risk map



The following section sets out the principal risks identified, presented in a limited number of categories depending on type.

RISK HIERARCHY

LEGAL AND REGULATORY RISKS	REGULATORY CHANGE IN THE STAFFING MARKET AND/OR OTHER RELATED FORMS OF EMPLOYMENT
	COMPLIANCE WITH LEGAL AND REGULATORY FRAMEWORKS
	RENEWAL OF AIRPORT SERVICES LICENCES
RISKS RELATING TO THE GROUP'S BUSINESS	PUBLIC HEALTH UNCERTAINTY, GEOPOLITICAL ISSUES AND RISK OF RECESSION
	EMPLOYER BRAND ATTRACTIVENESS AND TALENT RETENTION
	IT SYSTEMS
	THIRD-PARTY LIABILITY IN THE AIRPORT SERVICES BUSINESS
	DISRUPTIVE TECHNOLOGY

In each category, risk factors are presented in decreasing order of importance.

PRESENTATION OF RISKS

1. LEGAL AND REGULATORY RISKS

1.1 REGULATORY CHANGE IN THE STAFFING MARKET AND/OR OTHER RELATED FORMS OF EMPLOYMENT

Identification and description of risk

Through its temporary staffing business, the Group is exposed to the risk of change in employment market regulations in the countries where it operates.

Potential impact on the Group

These changes are likely to have a direct impact on salaries (laws on working hours in particular), social security expenses (decrease, changes in charge rates, transformation of CICE tax credit) or employment conditions (duration of work, reasons for using temporary employment contracts, terms of dismissal). Consequently, they may alter staff costs not only in terms of absolute value but also in terms of relative value between different types of employment and could therefore have a significant impact on the industry's competitiveness.

Risk management

The Group is a member of professional organisations for temporary staffing and recruitment companies in the markets in which it operates.

As such, it actively participates in:

- promoting the economic and social role played by employment agencies, representing the industry's interests with its partners (Prism'emploi, public authorities, parliament, regional groups and administrations),
- discussions at national and European level by representing the industry within professional organisations such as MEDEF, CPME and the World Employment Confederation.

This representation enables the Group to be closely involved in all issues that could have an impact on the profession and to take part in dialogue with political decision-makers so as to best adapt employment market legislation and the regulatory framework in which the industry operates.

1.2 COMPLIANCE WITH LEGAL AND REGULATORY FRAMEWORKS

Identification and description of risk

The Group strives to conduct its business in accordance with ethical principles and applicable regulations with regard to employment, competition and general business regulations and those applicable to procedures for combating fraud and corruption.

The Group's presence in numerous countries, its decentralised structure across separate divisions and within the principal temporary staffing and recruitment division with regional management, sectors and branches, requires a high level of monitoring to ensure operational compliance with the applicable legal and regulatory frameworks and ethical principles.

Potential impact on the Group

Non-compliance with these principles and regulations would expose the Group to severe penalties and reputational risk that could undermine its credibility.

For example, in the temporary staffing division the Group handles large volumes of temporary work contracts and the branch network that handles these contracts is fragmented and highly decentralised. In the event of isolated occurrences of deviant behaviour by employees not detected early enough by the monitoring system, the resulting media attention could mar the Group's image.

Risk management

In order to ensure compliance with the legal and regulatory frameworks in force, the Group employs a range of monitoring and control systems as described in the "internal control procedures" section of the management report.

1.3 RENEWAL OF AIRPORT SERVICES LICENCES

Identification and description of risk

Aircraft ground handling services require an authorisation to operate at the airport concerned ("Licences"). These Licences are awarded for limited periods and are subject to periodic renewal in accordance with procedures that vary depending on the region in which the airport is located.

Potential impact on the Group

The non-renewal of a Licence or renewal combined with an increase in the number of Licences could therefore have a negative impact on the Group's airport services business.

Risk management

The Group is committed to a policy of maintaining the highest quality standards in its airport services in order to satisfy clients and improve the reputation of the hubs at which it operates. This policy helps the Group to retain the Licences awarded to it over the long term.

Moreover, and in the event that a Licence is not renewed, in the majority of cases staff are transferred pursuant to Article L. 1224 of the French Labour Code or equivalent foreign legislation (TUPE - Transfer of undertaking (protection of employment) - 2006 regulations in the United Kingdom and 2003 regulations in Ireland).

2. RISKS RELATING TO THE GROUP'S BUSINESS

2.1 PUBLIC HEALTH UNCERTAINTY, GEOPOLITICAL ISSUES AND RISK OF RECESSION

Identification and description of risk

The Group's business activities are closely related to GDP growth in its regions:

- In temporary staffing and recruitment, the correlation is amplified where GDP growth fluctuates by more than +/-1%,
- In airport services, air traffic growth correlates to GDP growth in the corresponding region.

As such, the materialisation of public health, geopolitical and/or economic risks may, under exceptional circumstances, bring about a rapid and significant downturn in the market.

Potential impact on the Group

A rapid and extensive downturn in the market would lead to a major fall in business volumes. Given the time required to adjust its expenses, such a situation would have a significant impact on the Group's operating margin.

Risk management

Faced with the risk of a major market downturn, the Group is protected by the resilience of its temporary staffing business (temporary worker contracts and client contracts expire concomitantly) and endeavours to maintain a variable portion of expenses within its structural costs so as to offset the impact of such a shock. The Group also has lines of credit available to it that could provide funding under such circumstances.

At the time of writing, the spread of coronavirus and the lockdown measures implemented by the French and foreign governments are impacting all economic and commercial activities worldwide. The extent and duration of the effects cannot yet be reliably measured.

At Group level, as the temporary staffing and airport services divisions are highly correlated to GDP, business volumes have been significantly impacted since mid-March by the economic effects of the pandemic (lockdown, border and airspace closures, etc.).

At present, it is impossible to precisely measure the impact on Group earnings. Although the various measures (expansion of short-time working, suspension or deferral of certain contributions, guarantee funds, etc.) taken by governments in the different regions in which the Group operates should provide the Group with financial support, there remain too many uncertainties to accurately assess the financial consequences of the pandemic at the date of this report.

The Group has rapidly introduced the necessary measures to adapt to the situation and reduce its cost bases (short-time working, deferred payment of charges, debt collection and the procurement of credit insurance coverage, etc.).

With regard to the financing of its business, at 31 December 2019 the Group had cash of €231 million, an available CICE tax credit of €137 million, and respectively €211 million and €36 million of undrawn credit facilities and overdrafts (see Note 4.4 to the consolidated financial statements). Only the €100 million medium-term French credit facility is subject to covenant tests liable to be affected by COVID-19. However, as set out in Note 4.4 to the consolidated financial statements, covenant ratios were well within the required limits at 31 December 2019.

Furthermore, management has implemented:

- **an action plan aimed at employees and clients to ensure the Group's business continuity,**
- **a unit responsible for ensuring the continuation of operational capacity within the divisions whilst limiting the potential impact of the epidemic on Group employees.**

2.2 EMPLOYER BRAND ATTRACTIVENESS AND TALENT RETENTION

Identification and description of risk

Human resources are the Group's main asset; attracting and retaining talent is essential for its continued development. In both of the Group's business divisions, attracting and retaining talent are major challenges for meeting significant human resources requirements.

Potential impact on the Group

Insofar as its people are the Group's most important resource (in both business sectors), a poor talent retention rate has a direct impact on business development.

In the temporary staffing division, a high turnover rate among permanent office employees could result in a shortage of skills, leading to reduced motivation within teams thus impacting branches' capacity to be fully operational. A failure to attract and retain temporary employees would directly affect branches' ability to provide a swift, efficient and satisfactory response to the demands of their corporate clients and would have a negative impact on the division's business volumes and earnings.

Risk management

In order to mitigate this risk, the Group is committed to strengthening its employer brand, bolstering its employee support, training and career development mechanisms and implementing a skills development policy to optimise employee integration and well-being.

2.3 IT SYSTEMS

Identification and description of risk

IT systems are an essential component for managing and developing the Group's business within a network environment as it implements a digital transformation. The two principal risks related to IT systems are cyber security (which includes data security) and system availability.

Potential impact on the Group

Any breach of data security, confidentiality or integrity, whether malicious or accidental, could have a material impact on the Group's reputation and earnings. This risk has been exacerbated by the tightening of data privacy regulations resulting, in particular, from the General Data Protection Regulation (GDPR) and the penalties for non-compliance.
The non-availability of IT systems and/or networks that are essential to the Group's daily operations would have an immediate adverse impact on its business and would require deployment of a labour-intensive manual backup solution.

Risk management

In order to ensure the continuous service of its systems, the Group continuously monitors IT infrastructure, uses standard tools (firewall, antivirus software, etc.) and employs the technical measures and safeguards required for rapid system recovery.

2.4 THIRD-PARTY LIABILITY IN THE AIRPORT SERVICES BUSINESS

Identification and description of risk

As part of its airport services business, the Group handles aircraft stopovers. In the event of a claim relating to an aircraft handled by it, the Group could be held liable with serious consequences.

Potential impact on the Group

In view of the amount of damages at stake in the event of an aircraft accident, the financial impact of such a situation could significantly outstrip the annual operating margin of the airport services business.

Risk management

Given this situation, the Group has set up and maintains an aeronautical third-party liability insurance programme to cover this material risk (capped at €130 million).

2.5 DISRUPTIVE TECHNOLOGY

Identification and description of risk

In the temporary staffing market, the capacity to deploy innovative technological solutions is becoming increasingly critical both in terms of productivity and in order to meet client demands.
In airport services, the digitisation of operations will have a major impact on transport operations.

Potential impact on the Group

Within an innovative and competitive environment, failure to provide an adequate response to technological development needs would lead to a decline in the Group's business and would reduce the attractiveness of the employer brand, resulting in a significant loss of earnings.

Risk management

The Group has created a division responsible for developing innovative digital solutions and continuously monitoring technological and competitive developments.

RISK PREVENTION AND INSURANCE

Even though the Group's risks are typically highly diversified and, therefore, the probability that a single loss would have a material impact on the Group is very low, it implements a management policy that combines both insurance and internal management.

The Group covers the following risks through insurance:

- Counterparty risk through credit insurance taken out with various firms (temporary staffing business primarily in France and Spain). As a result, in most cases, every commercial relationship is first covered by a guarantee given by the insurer on a case by case basis. These guarantees are monitored daily for changes and, in certain cases, the commercial relationship may be revalued;
- Airport services through an aeronautical third-party liability policy covering this risk up to €130 million;
- Other risks are covered by appropriate insurance policies, primarily including: Operational damage and loss (capped at €20 million), operational third-party liability (capped at €30 million per claim), D&O liability (capped at €20 million per claim), vehicle fleet: fair market value.

The total cost of these policies for all Group companies amounted to €5.0 million in 2019, which corresponds to insurance premium payments.

In terms of internal prevention, the Group:

- has opted for a strict management policy in order to optimize cash flow and reduce debt while maintaining diversified financing sources;
- has developed a prevention policy designed to increase awareness and train clients and temporary employees in workplace safety.

1.7 STRATEGY AND OUTLOOK

A PROFITABLE GROWTH STRATEGY

The business model presented on page 106 of the Universal Registration Document (available in French) sets out the Group's strategic vision and capacity to create, deliver and capture value. It describes the key structural aspects of its two main divisions - Temporary Staffing & Recruitment and Airport Services - covering the means and resources implemented for each division, the structure of their offers and operating procedures, and the resulting creation of value.

Whether in terms of organic or external growth, in relation to its staffing, airport services or other business lines, the Group has always chosen to pursue a prudent and secure development policy focused on value. This commitment is based on an ongoing selective commercial policy to maintain the value of its contracts and on an acquisition strategy that prioritises companies with high added value. Over the past 20 years, the Group has achieved a remarkable average annual revenue growth rate of 11%. This sustained growth rate has been achieved whilst maintaining the Group's profitability, with EBITDA (excluding the impact of IFRS 16) posting the same rate of growth over the period.

France, the Group's principal and historical market, remains central to the development of its business and each year consolidates its leading positions in temporary staffing and recruitment and airport services in the region.

The Group holds strong international positions in staffing and airport services, the result of the ramp-up of its external growth policy over the last ten years. Since 2011, the Group has completed around 15 acquisitions that have enabled it to advance into new regions and strengthen core market positions.

TEMPORARY STAFFING AND RECRUITMENT

Crit's growth is underpinned by solid fundamentals and a six-point strategy to support the development of its markets: regional network quality and client proximity, upscaling of the service offering, diversity of sector positioning, temporary employee career stabilisation, strengthening of CSR commitments and digitisation strategy.

KEEPING UP WITH CHANGES IN THE PROFESSIONAL WORLD

While temporary staffing remains the cornerstone of the Group's development, it is constantly expanding its service offering in order to deliver a complete set of HR solutions, meet clients' requirements and keep up with changes in the professional world.

This strategy includes the development of its customised HR management solution installed on client premises, recruitment services, CSR commitments in terms of training, health, safety and equal opportunities, all central issues in the changing job environment, and the development of innovative digital software and solutions for its clients and temporary workers.

Over a number of years the Group has invested in digital transformation as a means of improving its own productivity and that of its clients. The Group pursues a digital strategy focused on the digitisation of interactions with clients, temporary employees and applicants, for which the Group is developing digital solutions, and on improving the Group's operational performance, for which productivity tools such as digitisation of administrative processes and documents, assignment planning and automated flow management have been implemented. The Group is targeting the digitisation of all its documents, from contracts to payslips.

STRENGTHEN ITS POSITIONS

The expansion of Crit branches constitutes a virtuous growth circle. Thanks to the quality of its services, in terms of responsiveness, internal and external human resources, training of temporary workers and HR tools and solutions tailored to clients' needs, the Group is constantly enhancing the value-added of its services and increasing the productivity of its branches.

For its temporary staffing and recruitment division, the Group implements a selective commercial policy to maintain the value of its contracts with SMEs and key accounts. Its business development strategy is based on growing the key account client base by targeting the most profitable companies and, secondly, on expanding its small and medium-sized client base.

The Group intends to continue to consolidate and strengthen its positions in countries where it is present. The growth strategy implemented by the Group in its different markets is based on the continuous effort to streamline its networks, which have a substantial capacity to adapt to changes in the environment and in the needs of local, regional and national markets, as well as the increased specialisation and/or verticalisation of their services.

While France remains the Group's main staffing market, the international business has for some years been a strategic priority in order to diversify its geographical positions and develop new growth drivers. This strategy has been swiftly rolled out on the US market. Indeed, since 2011 the United States, the world's largest temporary staffing market, has been one of the main targets of the Group's growth strategy, with numerous acquisitions completed. The Group's expansion on this continent, where it now ranks among the top 40 staffing companies in the United States, is the result of a growth strategy geared, firstly, towards the development of "business vertical" services in areas requiring significant expertise such as IT, quality control and construction, professional staffing, etc. and, secondly, towards the expansion of its general staffing networks in B and C markets which are less competitive and are favourable to closer client proximity. With operations in 23 states, the Group is confident in its ability to pursue its development in this high-potential market as soon as opportunities arise.

The Group will continue its international development. Given the current climate, the Group is pleased to have pursued a particularly cautious external growth policy in 2019 in view of an unfavourable geopolitical environment, a challenging situation in Europe and a very tight employment market. The Group expects to pick up its external growth momentum again once the situation allows, with a special focus on Europe and the United States.

AIRPORT SERVICES

Airport services is a key growth driver for the Group. This business has performed remarkably well in the last 20 years with an 11-fold increase in both revenue and EBITDA (excluding the impact of IFRS 16) over the period.
This performance has been driven by an ambitious commercial development strategy as illustrated by the numerous long-term contracts signed each year at its airport hubs.
Furthermore, it benefits from the Group's willingness to serve the needs of its airline clients by launching new operations such as in Boston in 2017 for its client Air France.
It is also testimony to the Group's aim of expanding the range of airport services provided at its stations, such as the recent addition of air freight and cargo flight assistance.
Finally, it has proven the value of a strategy that targets winning new markets and airports through strategic acquisitions such as Cobalt Ground Solutions, one of the leading airport services providers at London Heathrow, and Advanced Air Support, specialised in business air travel at Paris-Le Bourget airport.

As a result of this strategy, the Group has become highly profitable and now ranks among the 10 largest airport services providers worldwide.

AN OUTLOOK SHAPED BY THE GLOBAL PUBLIC HEALTH CRISIS

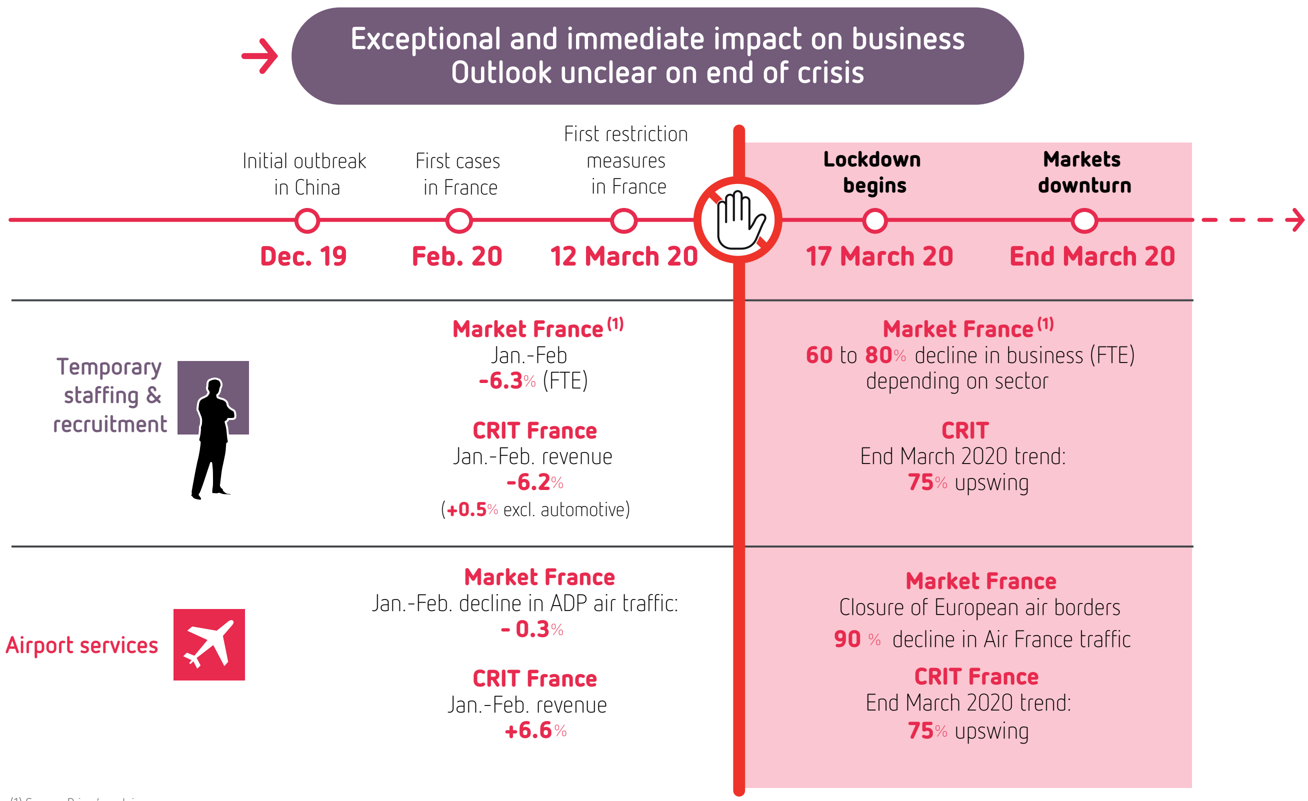
The outlook for the Group must be placed within the extraordinary context resulting from the public health crisis that is impacting economies as COVID-19 spreads around the world. In early April 2020, some 3.9 billion people were under lockdown, i.e. half of the global population (source: AFP, 2 April 2020). Global economic activity could contract by 1.9% in 2020, with GDP down 3.3% in the USA and 4.2% in the eurozone (source: Fitch, 2 April 2020).

The spread of coronavirus and the lockdown measures taken by the French and foreign governments are impacting all economic and commercial activities worldwide. The Group's business is affected as a result, although the extent and duration of the effects cannot yet be reliably measured.

Faced with this unprecedented situation that is changing on a daily basis, the Group is continually adapting and has taken swift measures to respond to the crisis in the countries in which it operates.

In France, the Group's principal region accounting for over 76% of total revenue, the lockdown measures implemented in mid-March combined with the dramatic fall in global air traffic have led to a major downturn in the Group's markets, as described in the chart below.

IMPACT OF COVID-19



(1) Source Prism'emploi

FIRST HALF OF 2020 SHAPED BY THE PUBLIC HEALTH CRISIS

For the first two months of the year, the Group's businesses developed in line with the trend observed in the final quarter of 2019. In France, the temporary staffing and recruitment division posted a 6.2% drop in revenue over the first two months of the year, impacted by falling demand in the automotive sector. Excluding that sector, business was up slightly (0.5%) over the period. This was a satisfactory performance, achieved in a market down 6.3% in terms of temporary employees (source: Prism'emploi).

There was clear growth in the airport services division, which made a good start to the year driven by business in France, up 6.6% in January and February.

EXCEPTIONAL AND IMMEDIATE IMPACT ON BUSINESS

The lockdown measures brought a sudden halt to these trends. The temporary staffing market in France fell dramatically following their announcement. At the end of March the Group recorded a 75% fall in business for its temporary staffing and recruitment division in France.

Across the industry as a whole, the temporary staffing market fell 75% over the second half of March 2020 with downturns varying between 60% and 90% depending on the business sectors served. In terms of full-time equivalent (FTE) employment, job losses resulting from the public health crisis amounted to 557,500 jobs between the first and second half of March 2020. A total of over 750,000 FTE jobs recorded before 15 March fell to 199,000 during the second half of the month (source: Prism'emploi).

The Group's airport services business was also hit hard. This unprecedented public health crisis has brought air traffic to a virtual standstill since mid-March, gradually grounding entire fleets of aircraft, causing widespread unemployment among flight crew and forcing the closure of airport hubs and runways. As a direct consequence of the collapse in air traffic, the Group recorded a 90% fall in its French airport services activities at the end of March.

Against this backdrop, Group revenue for the first quarter of 2020 fell 13.2% to €505.8 million. Revenue in France fell 14.8% to €376.2 million and international operations were down 8.1% and 9.9% at constant consolidation scope and exchange rates over the period.

In temporary staffing, quarterly revenue in France fell 15.7% to €302.8 million with, as indicated, significant downturns depending on business sector (between 35% and 80%) over the last two weeks of March.

Quarterly revenue from international operations was €110 million, down 7.3% (down 9.2% at constant consolidation scope and exchange rates). Business in the United States and Spain was significantly impacted by the crisis, these countries posting respective falls of 13.9% (at constant consolidation scope and exchange rates) and 1.8% over the quarter.

The multi-services division posted quarterly revenue of €97.9 million, down 11%. As expected, airport services bore the full brunt of the impact of the public health crisis on air traffic and posted revenue of €76.9 million, down 10.1% in the first quarter.

OUTLOOK UNCLEAR ON END OF CRISIS

At present, it is impossible to precisely measure the impact on Group earnings. Although the various measures (expansion of short-time working, suspension or deferral of certain contributions, guarantee funds, etc.) taken by governments in the different regions in which the Group operates should provide the Group with financial support, there remain too many uncertainties to accurately assess the financial consequences of the pandemic.

SWIFT AND APPROPRIATE MEASURES

The Group immediately brought in swift and appropriate measures to respond to the situation. The first decisions were taken to protect permanent and temporary employees by closing all branches to the public. Meanwhile, the Group implemented work-at-home solutions for all administrative and support functions. Priority was also given to maintaining service continuity for clients. Some sectors, such as distribution or agro-food, continue to reach out to the Group for significant staffing requirements and the necessary resources are then put in place in order to ensure that clients' needs are met. Finally, some immediate measures enabling the Group to adapt to the situation were put in place, such as short-time working and deferred payment of specific charges (URSSAF social security, rent, loan repayments), as the Group made reducing its cost base a priority. The Group also placed great emphasis on debt collection by intensifying chase-up measures and on procuring credit insurance coverage.

STRONG CAPACITY TO WEATHER THE CRISIS

Groupe Crit has substantial assets which give it confidence in its capacity to weather this crisis.

In temporary staffing, the Group's business model is based on a variable cost base that offers significant resilience. A majority of assignments are short-term, meaning that the required adjustments to the cost base can be applied very quickly.

In airport services, the shut-down of its airline clients' operations justified a large-scale and rapid implementation of short-time working measures for its permanent workforce. The Group's capacity to adapt in this business line is facilitated by the short-term nature of a portion of its contracts, accounting for one quarter of its total workforce, and by a significant subcontracting component (20% of revenue).

Against the backdrop of a market slowdown in 2019, the Group was able to increase profitability and strengthen its balance sheet with a major increase in cash flow, the result of a policy that has continuously combined caution with long-term planning. Consequently, the Group is now able to address the challenges posed by the current circumstances from an extremely secure financial position.

Thanks to an extremely robust balance sheet and borrowing capacity, the Group has significant resources enabling it to approach the months ahead with confidence. With €615 million of available funds, the Group is well-equipped to deal with changes to the current situation.

1.8 STOCK MARKET AND SHAREHOLDERS

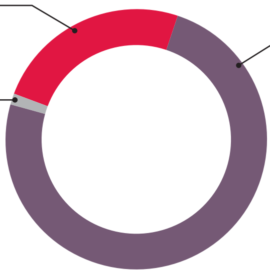
The GROUPE CRIT share is listed on Euronext Paris (Compartment B).

It is listed on the CAC All-tradable, CAC All-shares, CAC Mid & Small, Euronext Family Business indices and on the Gaia Index.

The share capital is divided into 11,250,000 shares.

Market capitalisation at 29 February 2020 was €663,750 million.

Capital distribution
(at 29 February 2020)



For more detail see section 5.3 of this document.

Volumes traded, change in Groupe Crit share price over the previous 18 months
(Source: Euronext)

	Number of shares traded	Share price (€) high	Share price (€) low
September 2018	55,185	77.3	66.7
October 2018	150,518	71.2	57.1
November 2018	52,568	60	53.6
December 2018	68,756	57.5	47.4
January 2019	66,067	55.8	48.8
February 2019	77,880	55	48
March 2019	48,249	61.9	51.4
April 2019	45,068	69.9	60.5
May 2019	55,557	68.2	52.5
June 2019	24,152	63.1	54.7
July 2019	28,530	61.8	58.2
August 2019	29,968	69.9	59.5
September 2019	26,786	66.5	60.1
October 2019	56,969	67.5	64.8
November 2019	53,004	68.1	65.4
December 2019	56,455	74.7	67.8
January 2020	50,659	74.4	68.1
February 2020	109,195	69.00	60.60

Highest and lowest share price over the period

2

CONSOLIDATED FINANCIAL STATEMENTS FY ENDED 31 DECEMBER 2019

2.1. Consolidated financial statements

for the year ended 31 December 2019

A. Consolidated income statement

€000	Notes	2019	2018
REVENUE	*3.1 & 3.3*	**2,488,481**	**2,498,217**
Purchases consumed		(30,392)	(33,716)
Personnel and related expenses	*3.4*	(2,101,270)	(2,121,738)
Other purchases and external expenses		(178,900)	(184,965)
Net amortisation and depreciation	*4.1.2*	(41,713)	(23,302)
Net additions to provisions		(6,559)	(7,742)
Other operating income		1,198	1,064
Other operating expenses		(2,503)	(2,086)
CURRENT OPERATING INCOME	*3.2 & 3.3.2*	**128,343**	**125,731**
Non-recurring operating income	*2.2*	820	2
Non-recurring operating expenses			(61)
OPERATING INCOME		**129,163**	**125,672**
Share of earnings of associates extending the Group's business	*4.1.4*	(448)	69
OPERATING INCOME INCLUDING SHARE OF EARNINGS OF ASSOCIATES		**128,714**	**125,742**
Income from cash and cash equivalents		845	717
Gross cost of financial debt		(4,415)	(3,653)
Net cost of financial debt		**(3,570)**	**(2,936)**
Other financial income and expenses		2,797	6,793
NET FINANCIAL INCOME/(EXPENSE)	*3.5*	**(773)**	**3,857**
EARNINGS BEFORE TAX		**127,941**	**129,598**
Income tax expense	*3.6*	(54,790)	(38,771)
NET INCOME		**73,151**	**90,828**
- Attributable to owners of the company		72,981	90,936
- non-controlling interests		169	(108)
Earnings per share held by company shareholders (€)			
Basic and diluted	*4.3.2*	6.58	8.19

B. Consolidated statement of comprehensive income

€000	2019	2018
NET INCOME	**73,151**	**90,828**
Other items recyclable to income	**1,925**	**1,369**
Translation adjustments	1,216	1,275
Fair value of financial instruments	1,044	139
Deferred tax on fair value of financial instruments	(334)	(44)
Other items non recyclable to income	**1,203**	**2,416**
Actuarial gains/losses on retirement commitments	1,589	3,230
Deferred tax on actuarial gains/losses	(386)	(815)
TOTAL OTHER COMPREHENSIVE INCOME	**3,128**	**3,785**
TOTAL COMPREHENSIVE INCOME	**76,279**	**94,612**
- Attributable to owners of the company	75,903	94,074
- non-controlling interests	376	539

The notes attached hereto are an integral part of the consolidated financial statements.

C. Consolidated balance sheet

ASSETS (€000)	Notes	31/12/2019	31/12/2018
Goodwill		*159,462*	*158,310*
Other intangible assets		*30,823*	*38,364*
Total intangible assets	*4.1.1*	**190,285**	**196,674**
Property, plant and equipment	*4.1.2*	173,778	107,475
Financial assets	*4.1.3*	140,521	214,650
Investments in associates	*4.1.4*	4,590	5,122
Deferred tax	*3.6.3*	8,979	7,178
NON-CURRENT ASSETS		**518,153**	**531,099**
Inventories		2,282	2,062
Trade receivables	*4.2.1 & 4.5.1*	463,215	480,693
Other receivables	*4.2.2 & 4.5.1*	31,372	43,191
Tax receivables	*4.5.1*	9,034	2,020
Cash and cash equivalents	*4.4.3 & 4.5.1*	231,071	213,800
CURRENT ASSETS		**736,975**	**741,767**
ASSETS HELD FOR SALE		**0**	**2,392**
TOTAL ASSETS		**1,255,128**	**1,275,258**

EQUITY & LIABILITIES (€000)	Notes	31/12/2019	31/12/2018
Capital	*4.3.1*	*4,050*	*4,050*
Additional paid-in capital and reserves		*614,707*	*548,376*
Equity attributable to owners of the company		618,757	552,426
Non-controlling interests	*4.3.4*	3,544	5,152
EQUITY		**622,301**	**557,578**
Retirement commitments	*3.4.2*	32,700	32,040
Non-current borrowings	*4.4 & 4.5.2*	90,062	41,647
NON-CURRENT LIABILITIES		**122,762**	**73,687**
Current borrowings	*4.4 & 4.5.2*	50,386	62,484
Bank overdrafts	*4.4 & 4.5.2*	6,146	97,216
Provisions for other liabilities	*4.6*	10,480	12,815
Trade payables	*4.5.2*	37,723	45,736
Social security and tax liabilities	*4.2.3 & 4.5.2*	360,433	383,607
Current tax payables	*4.5.2*	2,316	1,228
Other payables	*4.2.4 & 4.5.2*	42,583	39,440
CURRENT LIABILITIES		**510,066**	**642,527**
LIABILITIES HELD FOR SALE		**0**	**1,466**
TOTAL EQUITY AND LIABILITIES		**1,255,128**	**1,275,258**

The notes attached hereto are an integral part of the consolidated financial statements.

D. Consolidated statement of changes in equity

	€000	Capital	Treasury shares	Other retained earnings	Other comprehensive income	Equity attributable to owners of the company	Non-controlling interests	Total
2018	EQUITY AT 01/01/2018	4,050	(2,567)	520,710	(15,396)	506,798	5,130	511,928
	Net income			90,936		90,936	(108)	90,828
	Other comprehensive income				3,138	3,138	647	3,785
	TOTAL COMPREHENSIVE INCOME/(LOSS)	0		90,936	3,138	94,074	539	94,613
	Dividends paid			(48,467)		(48,467)	(541)	(49,008)
	Treasury share transactions		72			72		72
	Other changes			(50)		(50)	24	(27)
	TRANSACTIONS WITH SHAREHOLDERS	(0)	72	(48,517)	0	(48,445)	(518)	(48,963)
	EQUITY AT 31/12/2018	4,050	(2,495)	563,129	(12,258)	552,426	5,152	557,578
2019	EQUITY AT 01/01/2019	4,050	(2,495)	563,129	(12,258)	552,426	5,152	557,578
	Net income			72,981		72,981	169	73,151
	Other comprehensive income				2,922	2,922	206	3,128
	TOTAL COMPREHENSIVE INCOME/(LOSS)	(0)		72,981	2,922	75,903	376	76,279
	Dividends paid			(11,139)		(11,139)	(649)	(11,788)
	Treasury share transactions		230			230		230
	Other changes (1)			1,337		1,337	(1,334)	3
	TRANSACTIONS WITH SHAREHOLDERS		230	(9,803)	(0)	(9,573)	(1,983)	(11,555)
	EQUITY AT 31/12/2019	4,050	(2,265)	626,308	(9,336)	618,757	3,544	622,301
Other changes	(1) DETAILS OF OTHER CHANGES							
	Exercise of put options on Actium minority interests at 1 January 2019			1,333		1,333	(1,333)	(1)
	Other			4		4	(1)	3
	TOTAL OTHER CHANGES			1,337	(0)	1,337	(1,334)	3

The notes attached hereto are an integral part of the consolidated financial statements.

E. Consolidated cash flow statement

€000	Notes	2019	2018
Net income		73,151	90,828
Elimination of non-cash expenses			
Share of earnings of associates		448	(69)
Amortisation and depreciation of intangible assets and property, plant and equipment	*4.1.2*	41,713	23,302
Change in provisions		407	4,028
Change in the competitiveness and employment tax credit (CICE)	*4.1.3*	39,081	(20,451)
Other non-cash items (1)		(352)	(3,765)
Elimination of profits or losses on asset disposals		(1,012)	(327)
Net cost of financial debt	*3.5*	3,570	2,936
Net income tax (including deferred taxes)	*3.6*	54,790	38,771
CASH FLOW BEFORE NET COST OF DEBT AND INCOME TAX (A)		**211,797**	**135,252**
Change in operating working capital (B)	*4.2*	2,290	(8,211)
Taxes paid (C)		(29,133)	(30,675)
CASH FLOW GENERATED FROM OPERATIONS (D=A+B+C)		**184,954**	**96,366**
Acquisitions of intangible assets		(763)	(553)
Acquisitions of property, plant and equipment		(9,047)	(15,536)
Change in cash from discontinued or sold operations		400	(14)
Business combinations, net of cash and cash equivalents acquired		2	(845)
Proceeds from disposals of property, plant and equipment		557	108
Other flows from investing activities		1,085	739
CASH FLOW FROM INVESTING ACTIVITIES		**(7,767)**	**(16,101)**
Dividends paid		(11,768)	(49,042)
Purchase/sale of treasury shares		230	71
Repayment of borrowings	*4.4.1*	(54,151)	(27,251)
New borrowings	*4.4.1*	78	5,148
Interest paid		(3,578)	(3,037)
CASH FLOW FROM FINANCING ACTIVITIES		**(69,190)**	**(74,110)**
Impact of change in foreign exchange rates		344	176
CHANGE IN CASH		**108,341**	**6,331**
Cash, cash equivalents and bank overdrafts at the beginning of the period		116,584	110,253
Change in cash		108,341	6,331
Cash, cash equivalents and bank overdrafts at the end of the period		224,925	116,584
Balance sheet			
Cash and cash equivalents		231,071	213,800
Bank overdrafts		(6,146)	(97,216)
Net cash		224,925	116,584

(1) Unrealised exchange rate differences on long-term intra-group financing operations (Note 3.4)

The notes attached hereto are an integral part of the consolidated financial statements.

F. Notes to the consolidated financial statements

Groupe CRIT (the "Company") is a French *société anonyme* (public limited company) listed on Euronext Paris, Compartment C. Its registered office is located at 6 Rue Toulouse Lautrec, 75017 Paris.

The Group offers diversified services and its core business is temporary staffing. It also offers an extended range of airport services in addition to engineering and industrial maintenance services. Groupe CRIT is not owned by any parent company publishing IFRS statements for public consultation.

The 2019 consolidated financial statements were approved by the Board of Directors on 24 March 2020. These statements will not be definitive until approved by the Annual Shareholders' Meeting.

1. Accounting principles and methods

1.1. General principles and statement of compliance

Pursuant to the European regulation of 19 July 2002 on international accounting standards (IFRS), the Group's consolidated annual financial statements have been prepared in accordance with the IFRS published by the IASB and adopted by the European Union[1].
The accounting principles applied to prepare the financial statements for the year ended 31 December 2019 are consistent with those applied for the financial statements for the year ended 31 December 2018, with the exception of the standards described below.

1.2. Amendments to standards and interpretations

1.2.1. Mandatory IFRS standards, amendments and interpretations in 2019

The new standards and amendments that have been published and are mandatory for accounting periods as of 2019 are presented below:

IFRS 16 - Leases

In January 2016, the IASB published a new standard on lease accounting. IFRS 16 – Leases replaces IAS 17 – Leases as well as three interpretations (IFRIC 4 – Determining whether an Arrangement Contains a Lease, SIC 15 – Operating leases - Incentives, and SIC 27 – Evaluating the Substance of Transactions in the Legal Form of a Lease).

Under the new standard, on the lessee side, all lease commitments except those exempted due to the contract's term and/or value will be recognised on the balance sheet, without distinguishing operating leases from finance leases, through recognition of a right-of-use asset and a liability corresponding to the present value of future lease payments.

The Group adopted IFRS 16 - Leases from 1 January 2019, using the modified retrospective approach provided for in IFRS 16 C 5b. Under this method, comparative information is not restated and the cumulative effect of initial application is recognised in equity as an adjustment to the opening balance of shareholders' equity for the current period.

On applying IFRS 16 for the first time, the Group chose not to reassess whether a contract contains or is a lease at the date of initial application and to use the following practical expedients permitted by the standard:

- include leases for which the residual lease term ends within 12 months of the transition date;
- use a single discount rate for a portfolio of leases with reasonably similar characteristics.

The Group also chose to apply the recognition exemption allowed by the standard and therefore does not recognise any right-of-use assets and liabilities of leases for which the underlying assets are of low value ("low-value assets"), primarily photocopiers. Payments associated with these leases are recognised on a straight-line basis as other purchases and external expenses in the income statement in the amount of €0.6 million in 2019.

Assessment of the lease term, including whether a renewal option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised, was made on a case-by-case basis. After transition, the assessment will be reviewed if a significant event or change in circumstances occurs that is within the control of the lessee and may affect the assessment made.

For the commercial (3-6-9) leases of temporary staffing agencies signed in France, the Group uses, as the enforceable term of the lease on the lease start date, a period of 9 years or the corresponding residual term on the transition date pursuant to the ANC Statement of Conclusions published on 16 February 2018.

In view of the above, at the transition date the Group recognised lease liabilities and right-of-use assets in respect of leases previously categorised as 'operating leases' in accordance with IAS 17 - Leases. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019.

This rate was calculated based on the Group's incremental borrowing rate adjusted in accordance with IFRS 16, taking into account (i) the economic environment of the subsidiaries and, in particular, their credit risk, (ii) the start date of the lease (i.e. 1 January 2019, the transition date), (iii) the lease currency and (iv) the residual term. The incremental borrowing rate applied to the lease liabilities at 1 January 2019 was 1.15% for the eurozone and 3.40% for the USD zone.

The discount rate applied subsequently will be determined annually using the same bases and taking into account the lease term instead of the residual terms used on the transition date.

The right-of-use assets recognised are recorded under property, plant and equipment where the underlying assets would be presented if the Group were the owner of the property. Lease liabilities are recorded in financial debt (current or non-current borrowings) depending on their due dates.

Most right-of-use assets relate to real estate and represent leases of temporary staffing agencies and airport premises.

1 The guidelines can be consulted on the European Commission website https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02002R1606-20080410

The impact of the new assets and liabilities recognised in relation to leases on the financial statements are summarised below:

	€000	Real estate	Other	Total
Balance sheet	Right-of-use assets (Property, plant and equipment)			
	AT 1 JANUARY 2019			
	Gross book value	68,358	4,032	72,390
	Depreciation and impairment			0
	NET BOOK VALUE AT 1 JANUARY 2019	**68,358**	**4,032**	**72,390**
	BREAKDOWN BY SECTOR			
	Temporary staffing	26,685	3,553	30,239
	Airport services	38,761	277	39,037
	Other	2,912	202	3,114
	2019 CHANGE	**(4,619)**	**134**	**(4,486)**
	New leases	9,820	2,717	12,537
	Translation differences	12	3	15
	Amortization and depreciation	(14,452)	(2,586)	(17,038)
	Gross book value	77,855	6,752	84,608
	Depreciation and impairment	(14,117)	(2,586)	(16,703)
	NET BOOK VALUE AT 31 DECEMBER 2019	**63,738**	**4,166**	**67,904**
	Lease liabilities (Borrowings)			
	AT 1 JANUARY 2019	**68,358**	**4,032**	**72,390**
	New leases	9,820	2,717	12,537
	Repayments	(13,810)	(2,563)	(16,373)
	Translation differences	12	3	15
	LEASE LIABILITIES AT 31 DECEMBER 2019	**64,091**	**4,189**	**68,280**
	DUE DATES OF LEASE LIABILITIES			
	Less than one year	13,266	2,068	15,334
	2-5 years	26,337	2,121	28,459
	Over five years	24,488		24,488
Income statement	Cancellation of leases (impact on EBITDA)(1)	14,664	2,628	17,292
	Amortization and depreciation	(14,452)	(2,586)	(17,038)
	Early termination of leases	290		290
	IMPACT ON CURRENT OPERATING INCOME	**502**	**42**	**544**
	Interest on lease liabilities	(855)	(65)	(920)
	IMPACT ON CURRENT OPERATING INCOME	**(353)**	**(23)**	**(375)**
	(1) IMPACT ON EBITDA BY OPERATING SEGMENT			
	Temporary staffing			9,086
	Airport services			7,676
	Other			820
	OVERALL IMPACT ON EBITDA			**17,583**
Cash flow	Net income			(255)
	Amortization and depreciation			17,038
	Elimination of profits or losses on asset disposals			(290)
	Net cost of financial debt			920
	Income tax			(120)
	CASH FLOW GENERATED FROM OPERATIONS			**17,292**
	Repayment of borrowings			(16,373)
	Interest paid			(920)
	CASH FLOW FROM FINANCING ACTIVITIES			**(17,292)**

(1) EBITDA is defined as current operating income before net amortisation and depreciation.

In addition, for leases previously classified as finance leases, and as required by the standard, at the date of initial application of IFRS 16 the Group did not change the carrying amounts of underlying assets and liabilities as previously recognised under IAS 17. These commitments were reclassified as right-of-use assets for a net amount of €65.3 million.

Reconciliation between the off balance-sheet lease commitments at 31 December 2018 and the lease liabilities recognised under IFRS 16 at 1 January 2019 is as follows (in €m):

OPERATING LEASES PRESENTED UNDER OFF BALANCE-SHEET COMMITMENTS AT 31 DECEMBER 2018	**64.8**
Discounting effect	(6.3)
Renewal options taken into account for IFRS 16 assessment	14.8
Low-value asset leases	(1.1)
Other	0.2
LEASE LIABILITIES RELATING TO OPERATING LEASES AT 1 JANUARY 2019	**72.4**

The Group also recognises deferred tax relating to the recognition of new assets and liabilities.

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 – Uncertainty over Income Tax Treatments clarifies the requirements of IAS 12 – Income Taxes. What is clarified is how income taxes are recognised and measured where there is an uncertainty regarding the treatment of an item, regarding the determination of taxable profit or loss, the tax bases of assets and liabilities, unused tax losses, unused tax credits and tax rates.

The Group has applied IFRIC 23 – Uncertainty over Income Tax Treatments since 1 January 2019. This interpretation has no material impact on the Group's consolidated financial statements.

Other standards, amendments and interpretations

The other amendments and interpretations applicable from 2019 do not have a material impact on the Group's consolidated financial statements:

- Amendments to IFRS 9 - Financial instruments: Prepayment Features with Negative Compensation.
- Amendments to IAS 28 – Investments in Associates and Joint Ventures: Long-term interests in associates and joint ventures
- Amendments to IAS 19 – Employee benefits: Plan amendment, curtailment or settlement
- Annual improvements to IFRS - 2015-2017 cycle

1.2.2. IFRS standards, amendments and interpretations applicable in 2020 and not applied earlier by the Group

- Amendments to IFRS 3 – Business Combinations: Definition of a Business[2].
- Amendments to IAS 1 – Presentation of Financial Statements and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material.
- Amendments to IFRS 9 – Financial Instruments; IAS 39 – Financial Instruments: Recognition and Measurement; IFRS 7 – Financial Instruments - Disclosures - Interest Rate Benchmark Reform[2].

The Group is currently analysing the impact of applying these standards and amendments.

1.2.3. IFRS standards, amendments and interpretations applicable after 2020

- IFRS 17 – Insurance Contracts[2].

1.3. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared using the historical cost method, with the exception of certain classes of financial assets and liabilities that are measured at fair value at the end of each reporting period.

The preparation of the consolidated financial statements in accordance with IFRS guidelines requires management to include a certain number of estimates and assumptions that may have an impact on the value of certain items on the balance sheet or income statement or on the information provided in the notes.

These assumptions, estimates and assessments are undertaken based on circumstances prevailing at the date of preparation of the financial statements and may subsequently turn out to be different from the actual state of affairs.

The most significant accounting estimates and judgements concern the following areas:

- Valuation of intangible assets and impairment of non-financial assets;
- Valuation of retirement commitments (Note 3.4.2);
- Valuation of provisions for other liabilities, which consists of estimating expenditure required to extinguish an obligation (Note 4.6);
- Calculation of deferred taxes and, in particular, the assessment of the recoverability of deferred tax assets;
- Classification of the competitiveness and employment tax credit (CICE) as a deduction from personnel expenses in 2018 (Note 3.4) and the recognition of CVAE (corporate value-added contribution) as an income tax charge within the meaning of IAS 12 (Note 3.6).
- Measurement of right-of-use assets under IFRS 16.

2 These standards and amendments have not yet been adopted by the European Union.

2. Key events of the year

2.1. Abolition of CICE

The CICE tax credit was abolished by the 2018 Finance Act effective 1 January 2019 and replaced by a reduction in employer health insurance social security contributions.

Unlike CICE, which was non-taxable, the reduction in employer social security contributions increases income tax bases and results in:

- a significant increase in the apparent average tax rate (Note 3.6.3),
- an increase in offsetting of income tax against CICE tax credit (Note 4.1.3).

2.2. Change in consolidation scope

The sale of 100% of the capital of CRIT Center was finalised on 7 January 2019 and gave rise to a capital gain of €0.8 million recorded under non-recurring operating income.

3. Earnings

3.1. Revenue

3.1.1. Revenue recognition

Revenue is recognised over time as and when the Group satisfies its performance obligation, corresponding to the moment at which the service is delivered to the client, for an amount that reflects the consideration the Group expects to receive in exchange for the service delivered. Revenue is recognised net of tax.

3.1.2. Information on service obligations still to be satisfied

Groupe CRIT does not provide this information as it applies the simplification measure provided for in the standard. The Group's main two businesses (provision of temporary staff and airport services) both fulfil the conditions established, namely:

- the service obligation relates to a contract the initial term of which does not exceed one year,
- revenue is recognised in accordance with services delivered.

For the other Group businesses, including engineering, the amounts are not material.

3.2. Alternative performance indicators

For its internal reporting and financial communication, the Group uses non-IFRS financial indicators:

- EBITDA, defined as current operating income before net amortisation and depreciation,
- Organic growth in revenue, which represents growth at constant consolidation scope and exchange rates.

The exchange rate impact is calculated by applying the previous year's exchange rates to current-year revenue denominated in foreign currencies.

Changes in consolidation scope are calculated by restating revenue for:

- the contribution of entities acquired during the year and the contribution of entities acquired the previous year until the anniversary date of their acquisition,
- for entities sold during the year ended, the contribution to revenue of the months of the previous year for which the entities are no longer consolidated in the year ended and, for entities sold the previous year, for the contribution to revenue of the previous year until the date of their sale,
- net financial debt, the definition of which is provided in Note 4.4.1.

Alongside operating income, which includes all income and expenses not arising from financing activities, associates and income tax, the Group also presents:

- current operating income, defined as operating income before non-recurring items,
- after the operating income line, the share of earnings of associates whose activities are regarded as an extension of the Group's business,
- and operating income including the share of earnings of associates.

3.3. Segment reporting

3.3.1. Definition of operating segments

Groupe CRIT has three business lines:

- Temporary staffing and recruitment is its core business. Thanks to its extensive range of services, the Group is a versatile human resources player.
- Airport services include all services carried out for an aircraft between landing and take-off, which include passenger assistance and ground handling.
- Other services include engineering and industrial maintenance as well as other activities (digitised HR management, hospitality services, trading, etc.).

The activity of PRESTINTER, which is an internal services provider operating mainly in the temporary staffing and recruitment division, falls under this business line. On the other hand, training activities are managed within the "Other services" division.

These different types of corporate services each have their own market, type of clientele, distribution method and regulatory environment. They form the basis of internal reporting.

The Chairman and CEO is the main operational decision-maker, assisted by the sector managers in the temporary staffing and recruitment division and the airport services division. He assesses the performance of these operating sectors and allocates the necessary resources to them based on operational performance indicators (revenue, EBITDA and current operating income).

The segments to report on are based on the following three operating segments tracked by management:

- Temporary staffing and recruitment
- Airport services
- Other services

3.3.2. Operating segment reporting

€000	Temporary staffing and recruitment	Airport services	Other services	Inter-segment	Not allocated	Total
Revenue						
2019	2,034,399	381,131	99,191	(26,239)		2,488,481
2018	2,062,390	355,920	103,732	(23,826)		2,498,217
EBITDA						
2019	119,426	43,051	7,579			170,056
2019 before IFRS 16 (1)	*110,339*	*35,376*	*6,759*			*152,474*
2018	106,473	34,773	7,786			149,033
Current operating income						
2019	101,616	22,807	3,921			128,343
2018	97,795	22,997	4,939			125,731
Balance sheet data						
Assets at 31/12/2019	529,253	166,957	309,834		249,084	1,255,128
Liabilities at 31/12/2019	142,862	85,153	255,904		148,909	632,827
Assets at 31/12/2019 before IFRS 16 (1)	*499,217*	*132,125*	*306,798*		*248,992*	*1,187,131*
Liabilities at 31/12/2019 before IFRS 16 (1)	*142,862*	*85,153*	*255,904*		*80,629*	*564,547*
Assets at 31/12/2018	527,748	136,857	387,655		222,998	1,275,258
Liabilities at 31/12/2018	215,300	93,620	206,184		202,576	717,680

(1 For the purposes of comparison with the previous financial year, the data relating to 2019 EBITDA and the balance sheet at 31/12/2019 are presented above for information purposes before the application of IFRS 16.

The unallocated assets and liabilities are financing and income tax assets and liabilities.

3.3.3. Reporting by geographical region

€000	France	United States	United Kingdom	Spain/ Portugal	Africa	Other	Total
Revenue							
2019	1,896,658	318,889	50,804	133,382	48,009	40,739	2,488,481
2018	1,912,194	312,363	52,482	134,439	46,174	40,565	2,498,217
Non-current assets							
2019	387,926	94,648	9,946	4,959	11,851	8,822	518,153
2018	402,392	97,165	10,422	2,496	11,030	7,593	531,099

3.4. Personnel expenses

Personnel expenses consist of the following elements:

€000	2019	2018
Salaries and wages	(1,645,619)	(1,648,737)
Social security and tax expenses (excl. CICE)	(455,588)	(531,319)
CICE (temporary and permanent employees)	(63)	58,318
TOTAL	**(2,101,270)**	**(2,121,738)**

The Group recognises the tax credit for competitiveness and employment (CICE) as a deduction from personnel expenses.

3.4.1. Average workforce

The breakdown of the Group's average workforce by business line for fully-consolidated companies at the closing date is as follows:

Group average workforce	2019	2018
Permanent employees		
Temporary staffing	2,738	2,673
Airport services	5,154	4,859
Other	1,083	1,021
TOTAL	**8,976**	**8,553**
Temporary employees on Group assignments	53,171	55,581
TOTAL	**62,147**	**64,135**

The average permanent workforce (permanent and fixed-term contracts) is the arithmetic average of the workforce at the end of each month of the calendar year.

Temporary employee numbers are calculated as "full-time equivalents".

3.4.2. Employee benefits

Different defined contribution and defined benefit pension plans are granted to the Group's employees.

Defined contribution plans

Defined contribution plans comprise payments which release the employer from any future obligations towards independent organisations. These organisations then pay the employees the amounts due. They are calculated based on the contributions paid, plus the return on their investment. Payments made by the Group are recorded in the income statement as expenses for the period to which they apply. There are no other additional obligations and no liabilities are recorded in the Group financial statements.
The amount paid to defined contribution plans (employer's portion) for all employees (permanent and temporary employees) for 2019 totalled €186.5 million, as in 2018.

Defined benefit plans

These relate exclusively to retirement indemnities and long-service medals stipulated under collective bargaining and company agreements in France and Africa for airport services employees. No other long-term employment benefits or post-employment benefits are granted to employees.
The commitment linked to these plans is assessed each year by an independent actuary using the projected unit credit method. Under this method, each employment period confers an additional unit of benefit rights, and each of these units is valued separately to obtain the final obligation. These estimates take particular account of assumptions concerning life expectancy, staff turnover, wage variations and the discounting of amounts payable.

The main actuarial assumptions used in 2019 to estimate the total value of the retirement indemnities commitment is as follows:

- voluntary retirement on the part of the employee
- age of retirement determined on an individual basis, based on the number of quarters required for a full social security pension, which is counted as of the start date of professional activity up to a maximum 70 years
- turnover rate for each business segment
- INSEE 2015-2017 male and female mortality tables for French companies and PM-PF 60-64 for African subsidiaries
- salary growth rate set out below
- the discount rate applied, which is set with reference to the iBoxx Corporate AA 10+ rate on the closing date, the yield rate for blue-chip private-sector bonds with terms of 10 years and over. This maturity is close to the remaining service period of Group employees.

	2019	2018
Salary growth rate		
Temporary staffing and recruitment	2.0%	3.0%
Airport services France	2.0%	3.0%
Airport services Congo	4.5%	4.5%
Airport services Africa other	3.0%	3.0%
Other services	2.0%	3.0%
Discount rate (iBoxx Corporate AA 10+)	**0.77%**	**1.53%**

Without any assets to cover the commitments, the provision recorded is equal to the present value of the commitment.

The provision recorded in the balance sheet changed as follows during the two financial years presented:

€000	2019	2018
OBLIGATION AT START OF PERIOD	**32,040**	**31,689**
Service cost for the period	2,791	2,816
Interest expense	476	421
Employer contributions	(1,034)	(782)
Past service cost		501
IMPACT ON INCOME FOR THE YEAR	**2,234**	**2,956**
Actuarial differences arising from changes in demographic assumptions	(72)	(1,027)
Actuarial differences arising from changes in financial assumptions	(1,867)	(829)
Actuarial differences arising from experience adjustments	365	(1,349)
OTHER COMPREHENSIVE INCOME/(LOSS)	**(1,574)**	**(3,205)**
IMPACT OF BUSINESS COMBINATIONS AND DISPOSALS		**600**
OBLIGATION AT YEAR-END	**32,700**	**32,040**
Of which France	*30,616*	*30,190*
Of which Africa	*2,083*	*1,850*

The main sensitivities of the calculation of this employee benefit commitment to the assumptions applied are as follows:

- with a discount rate of 0.27%, the commitment would be €35.2 million compared to €30.5 million at 1.27%
- were the turnover rate to decrease by 1%, the commitment would increase to €34.2 million
- with a 1% increase in the salary growth rate, the commitment would amount to €37.8 million.

The following contributions are expected over the coming years:

	2019	2018
N+1	386	361
N+2 to N+5	3,575	3,216
N+6 to N+10	5,452	5,532
TOTAL EXPECTED CONTRIBUTIONS FROM N+1 TO N+10	**9,413**	**9,110**

3.4.3. Other employee benefits

The other employee benefits are not material. The Group has not established any share-based compensation plan.

3.5. Net financial income/(expense)

€000	2019	2018
Interest income	227	117
Other financial income	618	600
INCOME FROM CASH AND CASH EQUIVALENTS	**845**	**717**
Interest expense on borrowing and bank overdrafts	(1,052)	(1,464)
Other financial expenses (1)	(3,364)	(2,188)
GROSS COST OF FINANCIAL DEBT	**(4,415)**	**(3,653)**
NET COST OF FINANCIAL DEBT	**(3,570)**	**(2,936)**
Foreign exchange gain/(loss)	409	3,627
CICE accretion	2,388	3,166
OTHER FINANCIAL INCOME AND EXPENSES	**2,797**	**6,793**
NET FINANCIAL INCOME/(EXPENSE)	**(773)**	**3,857**
(1) of which interest on IFRS 16 lease liabilities	*(920)*	

On 29 November 2018, the financing lines granted by Groupe CRIT to its US operations via the holding company CRIT Corp were restructured with effect from 1 January 2019 within a single 10-year agreement comprising two separate lines:

a. line A repayable in instalments over a 2-year term

b. line B repayable at maturity.

Given the quasi-equity nature of line B, said line - pursuant to IAS 21.32 - is considered as forming an integral part of the net investment in the US subsidiary. Consequently, translation differences are recognised in other comprehensive income.

3.6. Income tax charge

The Group regards CVAE calculated based on the value-added, the difference between income and expenses, as an income tax within the meaning of IAS 12. Having adopted this approach, the Group can present financial statements that are consistent with those of the key players in the temporary staffing market that have also opted for this treatment.

3.6.1. Net income tax

€000	2019	2018
Current income tax	(57,317)	(37,856)
Deferred income tax	2,527	(915)
NET INCOME TAX	**(54,790)**	**(38,771)**

3.6.2. Tax proof

The reconciliation between the theoretical tax resulting from the average tax rate and the actual amount of income tax is as follows:

	2019		2018	
€000	Amount	%		%
Earnings before tax	127,941		129,598	
Share of earnings of associates and goodwill impairment	448		(69)	
Income before tax and share of earnings of associates	128,390		129,529	
Tax rate in France	34.4%	34.4%	34.4%	34.4%
THEORETICAL TAX	**44,205**	**34.4%**	**44,597**	**34.4%**
Effects of:				
Non-taxation of competitiveness and employment tax credit (CICE)	(818)	(0.6%)	(21,209)	(16.4%)
CVAE	16,055	12.5%	16,294	12.6%
Use of unrecognised tax losses or exemption	(231)	(0.2%)	35	0.0%
Other permanent differences	(205)	(0.2%)	1,658	1.3%
Other tax credits	(2,602)	(2.0%)	(1,138)	(0.9%)
Withholding tax	113	0.1%	110	0.1%
Unrecognised tax losses	198	0.2%	442	0.3%
Tax rate differential for other countries	(1,869)	(1.5%)	(1,899)	(1.5%)
Other	(56)	(0.0%)	(119)	(0.1%)
TOTAL IMPACT	**10,586**	**8.2%**	**(5,826)**	**(4.5%)**
GROUP TAX EXPENSE	**54,790**	**42.7%**	**38,771**	**29.9%**
Apparent rate	**42.7%**		**29.9%**	

The increase in the apparent average tax rate from 29.9% in 2018 to 42.7% in 2019 is primarily due to the abolition of the CICE tax credit on 1 January 2019 and its replacement with a reduction in employer social security contributions which increases the tax bases.

The increase in tax bases in France results in an increase in the offsetting of income tax against CICE tax credit from €8.9 million in 2018 to €34 million in 2019 (Note 4.1.3).

3.6.3. Deferred taxes by type

Deferred taxes are determined using the tax rates adopted or substantially adopted on the closing date, which are expected to apply when the deferred tax asset in question is charged or the deferred tax liability is paid.

Deferred tax assets are recognised only if it is probable that the company will be able to recover them due to the existence of a taxable profit expected during the period in which the assets become or remain recoverable.

€000	Deferred tax assets on retirement commitments	Deferred tax liabilities on leases	Deferred tax liabilities on swaps and US financing	Deferred tax on other temporary differences	Total
Gross value at 1 January 2018	7,940	(2,099)	576	2,362	8,779
Translation differences				11	11
Newly-consolidated entities	215				215
Impact on income	542	(905)	(41)	(509)	(913)
Other comprehensive income/(loss)	(815)		(44)		(859)
Other changes	(24)			(31)	(55)
VALUE AT 2018 YEAR-END	**7,858**	**(3,004)**	**491**	**1,833**	**7,178**
Gross value at 1 January 2019	7,858	(3,004)	491	1,833	7,178
Translation differences				(7)	(7)
Entities no longer consolidated	2				2
Impact on income	506	651		1,370	2,527
Other comprehensive income/(loss)	(386)		(334)		(721)
VALUE AT 2019 YEAR-END	**7,980**	**(2,353)**	**157**	**3,195**	**8,979**

The amount of unrecognised tax loss carryforwards came to €7.1 million at 2019 year-end compared to €6 million at 31 December 2018.

4. Balance sheet

4.1. Non-current assets

4.1.1. Intangible assets

During the first-time consolidation of the Group's subsidiaries, the Group's share in all identifiable assets and liabilities acquired is measured within one year. The difference between this acquired interest and the acquisition cost constitutes the goodwill.

Other intangible assets include:

- customer relations, trademarks, non-competition agreements acquired through business combinations,
- software purchased or developed internally,
- leasehold rights.

Customer relations, trademarks and non-competition agreements acquired through business combinations are recognised at their fair value determined at the acquisition date by independent experts. These items may be adjusted in the 12 months following the acquisition. Assets with an indefinite useful life are not amortised; they are subject to an impairment test each year. Amortisation is recorded for assets with a finite useful life. Trademarks are amortised or not, depending on whether their useful life is finite or indefinite.

Amortisation is calculated using the straight line method, based on the estimated useful life of the various asset categories. The main estimated useful lives applied are as follows:

Type	Estimated useful life
Customer relations	5-10 years
Trademarks with finite useful life	8-10 years
Non-competition agreements	3-5 years
Software	1-5 years

€000	Goodwill	Patents and similar rights	Other	Total
At 1 January 2018				
Gross book value	161,487	26,742	61,409	249,638
Amortisation and impairment	(6,221)	(10,794)	(32,776)	(49,790)
NET BOOK VALUE AT 1 JANUARY 2018	**155,266**	**15,948**	**28,633**	**199,848**
2018 change	3,044	(494)	(5,724)	(3,174)
Change in consolidation scope	292	518	426	1,237
Acquisitions		378	175	553
Disposals			(65)	(65)
Translation differences	2,751	663	862	4,276
Reclassification		8	(351)	(343)
Amortisation and impairment charges		(2,061)	(6,771)	(8,833)
Gross book value	164,531	28,512	62,815	255,858
Cumulative amortisation and impairment	(6,221)	(13,058)	(39,906)	(59,185)
NET BOOK VALUE AT 31 DECEMBER 2018	**158,310**	**15,455**	**22,909**	**196,674**
2019 change	1,152	(1,260)	(6,281)	(6,389)
Acquisitions	(31)	579	184	732
Disposals			(20)	(20)
Translation differences	1,183	275	342	1,800
Reclassification		(28)		(28)
Amortisation and impairment charges		(2,086)	(6,787)	(8,873)
Gross book value	165,683	29,471	63,839	258,992
Cumulative amortisation and impairment	(6,221)	(15,276)	(47,210)	(68,707)
NET BOOK VALUE AT 31 DECEMBER 2019	**159,462**	**14,195**	**16,628**	**190,285**

	Opening	Acquisitions	Amortization and impairment charges	Translation differences	Other	Closing	Residual amortisation period
GOODWILL	**158,310**	**(31)**	**0**	**1,183**	**0**	**159,462**	**-**
Trademarks with indefinite useful life	9,345		0	180		9,525	-
Trademarks with finite useful life	4,330		(1,282)	86		3,134	3 years
Customer relations	21,749		(5,759)	327		16,316	3 years
Non-competition agreements	775		(521)	16		270	2 years
OTHER INTANGIBLE ASSETS ACQUIRED	**36,199**	**0**	**(7,562)**	**608**	**0**	**29,245**	
Software	1,780	579	(804)	10	(28)	1,536	
Other	385	184	(507)		(20)	42	
TOTAL INTANGIBLE ASSETS	**196,674**	**732**	**(8,873)**	**1,800**	**(48)**	**190,285**	

Group CGUs are determined on the basis of operating segments: Temporary staffing and recruitment, Airport services and Other services. With the international expansion of the temporary staffing and recruitment segments, the Group identified three distinct CGUs by region within this business line:

- Temporary staffing and recruitment CGU (France and other countries);
- Temporary staffing and recruitment CGU (United States);
- Temporary staffing and recruitment CGU (Spain).

The value of goodwill by CGU is as follows:

€000	31/12/2019	31/12/2018
Temporary staffing and recruitment	**155,365**	**154,196**
France and other countries	93,378	93,378
United States	61,987	60,818
Airport services	**4,097**	**4,114**
TOTAL	**159,462**	**158,310**

The increase in goodwill compared to 31 December 2018 is due to the exchange rate impact on goodwill relating to the US subsidiaries in the temporary staffing and recruitment sector (€1.2 million).

According to IAS 36 "Impairment of assets", the book value of intangible assets and property, plant and equipment is tested where there are internal or external indicators of impairment, and reviewed at the end of each reporting period. This test is conducted at least once a year for goodwill, intangible assets with an indefinite useful life and intangible assets not yet in service.

In order to test their value, assets to which independent cash flows cannot be linked directly are grouped within the cash generating unit (CGU) to which they belong.

The value in use of the CGU is determined using the discounted cash flow method based on the following principles:

- the cash flows result from the 5-year business plans developed by the management of the entity in question;
- the discount rate is determined based on the weighted average cost of capital used, taking into account a target debt ratio, the cost of Group debt, a risk-free interest rate, a share risk premium and a beta value based on historical data;
- the terminal value is calculated using the present value of all future cash flows, assuming normative cash flow and perpetual growth. This growth rate is in line with the growth potential of the markets in which the entity operates and its competitive position in those markets.

The recoverable amount calculated using the value in use of the CGU is then compared with the carrying amount of the CGU. Impairment is recorded if the carrying amount is greater than the recoverable amount of the CGU and is allocated to goodwill first.

Impairment may be reversed if the estimates change, except that for goodwill, which is irreversible.

The assumptions used for the discount rate and perpetual growth rate are as follows:

	31/12/2019	31/12/2018
Discount rate		
Temporary staffing and recruitment France and other countries	7.0%	7.6%
Temporary staffing and recruitment United States	8.8%	9.7%
Airport services	7.0%	7.6%
Perpetual growth rate	**2.0%**	**2.0%**

Goodwill for the temporary staffing and recruitment - France and other countries CGU

CALCULATION ASSUMPTIONS

For this CGU, the business plan drawn up by management is based on continuing long-term growth against a backdrop of strong competition. The perpetual growth rate applied is 2%.

TEST RESULT

The tests did not indicate the need to impair goodwill for this CGU.

SENSITIVITY TEST

Using a growth rate to infinity of 1.5% instead of 2% or a 2 percentage point increase in the discount rate would not lead to impairment loss being recorded. There is no change that could be reasonably foreseen in the operational assumptions that would lead to the impairment of goodwill for the temporary staffing and recruitment - France and other countries CGU.

Goodwill for the temporary staffing and recruitment - United States CGU

CALCULATION ASSUMPTIONS

The business plan drawn up for the temporary staffing and recruitment - United States CGU provides for an increase in business in line with expected market growth.

TEST RESULT

The tests did not indicate a need to impair goodwill for the temporary staffing and recruitment - United States CGU.

SENSITIVITY TEST

Using a growth rate to infinity of 1.5% instead of 2% or a 2 percentage point increase in the discount rate would not lead to impairment loss being recorded. There is no change that could be reasonably foreseen in the operational assumptions that would lead to the impairment of goodwill for the temporary staffing and recruitment - United States CGU.

Goodwill for the airport services CGU

CALCULATION ASSUMPTIONS

The business plan developed for the airport services CGU is based on moderate growth of the business.

TEST RESULT

The tests did not highlight a need to impair goodwill for the airport services CGU.

SENSITIVITY TEST

Using a growth rate to infinity of 1.5% instead of 2% would not lead to any impairment. There is no change that could be reasonably foreseen in the operational assumptions that would lead to the impairment of goodwill for the airport services CGU.

4.1.2. Property, plant and equipment

In accordance with IAS 16 "Property, plant and equipment", the Group has opted for the principle of valuing property, plant and equipment according to the cost model, i.e. at cost less accumulated depreciation and impairment.

Depreciation is calculated using the straight line method, based on the estimated useful life of the various asset categories. The main estimated useful lives applied are as follows:

Type	Estimated useful life
Buildings	40 years
Fixtures and fittings	3-10 years
Plant, machinery and equipment	5-10 years
Computer and office equipment	3-5 years
Transportation equipment	4-5 years

Land is not depreciated.

€000	Land	Buildings	Plant, machinery & equipment	Other	Total
At 1 January 2018					
Gross book value	972	60,526	99,299	32,889	193,686
Depreciation and impairment		(7,327)	(63,743)	(22,022)	(93,092)
NET BOOK VALUE AT 1 JANUARY 2018	**972**	**53,199**	**35,556**	**10,867**	**100,594**
2018 change	(22)	4,327	1,779	797	6,881
Change in consolidation scope			140	172	312
Acquisitions		6,565	10,650	3,825	21,040
Disposals	(22)		(73)	(96)	(191)
Translation differences		120	79	38	237
Reclassification			21	(69)	(47)
Depreciation and impairment charges		(2,358)	(9,039)	(3,072)	(14,469)
Gross book value	950	67,228	109,819	35,205	213,203
Cumulative depreciation and impairment		(9,702)	(72,484)	(23,542)	(105,727)
NET BOOK VALUE AT 31 DECEMBER 2018	**950**	**57,526**	**37,336**	**11,663**	**107,475**
Head office building right-of-use asset (1)		*47,761*			*47,761*
Airport services equipment right-of-use asset (1)			*17,512*		*17,512*
Other right-of-use assets (2)		*68,358*		*4,032*	*72,390*
TOTAL PROPERTY, PLANT AND EQUIPMENT UNDER LEASE		***116,119***	***17,512***	***4,032***	***137,663***
2019 change	0	61,276	(512)	5,538	66,302
Impact of IFRS 16 (opening)		68,358		4,032	72,390
Acquisitions		9,930	8,765	7,647	26,342
Disposals			(297)	(48)	(345)
Translation differences		71	375	36	482
Reclassification			254	20	273
Depreciation and impairment charges		(17,083)	(9,607)	(6,150)	(32,840)
Gross book value	950	143,907	117,821	46,238	308,917
Cumulative depreciation and impairment		(25,105)	(80,997)	(29,037)	(135,139)
NET BOOK VALUE AT 31 DECEMBER 2019	**950**	**118,803**	**36,824**	**17,201**	**173,778**
Head office building right-of-use asset (1)		*45,714*			*45,714*
Airport services equipment right-of-use asset (1)			*17,503*		*17,503*
Other right-of-use assets (2)		*63,738*		*4,166*	*67,904*
Total property, plant and equipment under lease		*109,453*	*17,503*	*4,166*	*131,122*
Mortgage assets	*406*	*480*			*886*

(1) Leases previously categorised as finance leases
(2) Operating leases detailed in Note 1.2.1

Total acquisitions for the period amounted to €26.3 million including €17.3 million of right-of-use assets, €9.8 million relating to real estate assets and €4.8 million relating to airport services equipment.

Amortisation and depreciation of intangible assets and property, plant and equipment

(€000)	2019	2018
Amortisation/depreciation and impairment		
- on intangible assets	8,852	8,833
- on property, plant and equipment (1)	32,861	14,469
TOTAL AMORTISATION/DEPRECIATION AND IMPAIRMENT	**41,713**	**23,302**
(1) including impact of IFRS 16	17,089	

4.1.3. Non-current financial assets

Financial assets essentially comprise the CICE tax credit amounting to €137.1 million at 31 December 2019 (€210.3 million at 31 December 2018) out of total non-current financial assets of €140.5 million at 31 December 2019 (€214.7 million at 31 December 2018).

The CICE tax credit is a receivable that can be claimed from the government and used for the settlement of income tax payable in respect of the three years following the year for which it is recognised. The fraction unused at the end of the period is refunded.

Given its liquidity, the Group presents the CICE tax credit as a deduction from net financial debt in its financial communications.

€000	Competitiveness and Employment Tax Credit (CICE)	Loans and receivables maturing in more than one year	Other	Total
At 1 January 2018				
Gross value	198,767	4,958	13	203,738
Cumulative impairment		(14)		(14)
NET BOOK VALUE AT 1 JANUARY 2018	**198,767**	**4,943**	**13**	**203,723**
2018 change	11,547	(647)	26	10,926
Cash items	*20,451*	*(701)*	*32*	*19,782*
Acquisitions		612	32	643
Disposals		(1,313)		(1,313)
CICE tax credit net of discounting	58,312			58,312
2014 CICE refund	(41,026)			(41,026)
Accretion for the period	3,165			3,165
Non-cash items	*(8,904)*	*55*	*(6)*	*(8,856)*
Settlement of income tax	(8,904)			(8,904)
Translation differences		89	(3)	86
Change in consolidation scope		(34)	(3)	(37)
Gross value	210,314	4,311	39	214,664
Cumulative impairment	0	(14)	0	(14)
NET BOOK VALUE AT 31 DECEMBER 2018	**210,314**	**4,297**	**39**	**214,650**
2019 change	(73,180)	(956)	7	(74,128)
Cash items	*(39,081)*	*(990)*	*8*	*(40,063)*
Acquisitions		482	8	490
Disposals		(1,472)		(1,472)
2015 CICE refund	(41,468)			(41,468)
Accretion for the period	2,387			2,387
Non-cash items	*(34,099)*	*35*	*(1)*	*(34,065)*
Settlement of income tax	(34,099)			(34,099)
Translation differences		35	(1)	33
Gross value	137,134	3,356	46	140,536
Cumulative impairment		(14)		(14)
NET BOOK VALUE AT 31 DECEMBER 2019	**137,134**	**3,341**	**46**	**140,521**
Government refund schedule for CICE if unused for tax settlement				
2016 CICE refundable in 2020	49,334			
2017 CICE refundable in 2021	65,275			
2018 CICE refundable in 2022	22,525			
TOTAL	**137,134**			

4.1.4. Investments in associates

The associates over which the Group has significant influence over financial and operating policies but which it does not control are consolidated using the equity method.

€000	2019	2018
Investments in associates at beginning of year	5,122	5,066
Earnings for the period	(448)	69
Dividends	(94)	(31)
Other changes	11	17
INVESTMENTS IN ASSOCIATES AT YEAR-END	4,590	5,122
Associates:		
AERCO	*3,672*	*4,320*
Global SQ	*387*	*330*
OVID	*533*	*395*
Other	*(2)*	*77*

The financial statements of these equity-consolidated companies for the year ended 31 December 2019 are presented below:

€000	Global SQ	AERCO	OVID	SHP RS DOO Serbia	SCCV Les Charmes
Operating segment	Temp.	Airport	Airport	Airport	Other
Revenue	13,819	20,490	8,325	2,189	
Net income/(loss)	210	(2,593)	433	91	(166)
Non-current assets	19	35,239	167	938	
Current assets	2,793	27,781	3,193	1,143	140
Shareholders' equity	789	14,689	1,600	167	(166)
Non-current liabilities		24,964		1,502	
Current liabilities	2,023	23,366	1,760	411	306
Net cash/(debt)	248	(14,670)	1,030	(1,258)	
Dividends received by the Group during the period	52			42	
Stake	49%	25%	33%	48%	50%

Temp.: Temporary staffing
Airport: Airport services

The reconciliation between these disclosures and the carrying amount of the Group's interests in these associates is as follows:

€000	Global SQ	AERCO	OVID	SHP RS DOO Serbia	SCCV Les Charmes	Total
Shareholders' equity	789	14,689	1,600	167	(166)	
Stake	49%	25%	33%	48%	50%	
Carrying amount of the interest held	387	3,672	533	81	(83)	4,590

4.2. Working capital

At 31 December 2019

€000	31/12/2019	31/12/2018	Gross change	Change in cash	Translation differences	Other flows
Inventories and work in progress	2,282	2,062	220	220		
Trade receivables	463,215	480,693	(17,478)	(19,003)	1,516	9
Other receivables	31,372	43,191	(11,819)	(12,573)	131	623
Assets held for sale	0	2,392	(2,392)			(2,392)
Trade payables	(37,723)	(45,736)	8,013	8,231	(188)	(30)
Social security and tax liabilities	(360,433)	(383,607)	23,174	23,648	(448)	(26)
Other payables	(42,583)	(39,440)	(3,143)	(2,832)	(1,490)	1,179
Liabilities held for sale		(1,466)	1,466			1,466
WORKING CAPITAL	**56,132**	**58,090**	**(1,958)**	**2,309**	**(479)**	**830**
DIVIDENDS AND INTEREST PAYABLE	**(166)**	**(186)**	**21**	**20**	**1**	
WORKING CAPITAL NET OF DIVIDENDS PAYABLE	**55,966**	**57,903**	**(1,938)**	**(2,289)**	**(479)**	**830**

At 31 December 2018:

€000	31/12/2018	31/12/2017	Gross change	Change in cash	Translation differences	Other flows
Inventories and work in progress	2,062	2,585	(523)	296		(819)
Trade receivables	480,693	473,538	7,155	6,784	2,064	(1,693)
Other receivables	43,191	37,761	5,431	7,022	183	(1,775)
Assets held for sale	2,392		2,392			2,392
Trade payables	(45,736)	(39,295)	(6,441)	(7,326)	(212)	1,097
Social security and tax liabilities	(383,607)	(391,012)	7,405	7,633	(351)	122
Other payables	(39,440)	(33,951)	(5,489)	(6,165)	(242)	918
Liabilities held for sale	(1,466)		(1,466)			(1,466)
WORKING CAPITAL	**58,090**	**49,625**	**8,465**	**8,245**	**1,442**	**(1,222)**
DIVIDENDS AND INTEREST PAYABLE	**(186)**	**(152)**	**(34)**	**(34)**		
WORKING CAPITAL NET OF DIVIDENDS PAYABLE	**57,903**	**49,473**	**8,431**	**8,211**	**1,442**	**(1,222)**

In 2018, the increase in working capital was limited to €8.2 million, mainly due to tight management of client debt collection.

4.2.1. Trade receivables

€000	31/12/2019	31/12/2018	Change
Trade and related receivables (1)	478,013	494,020	(16,007)
Impairment	(14,798)	(13,327)	(1,471)
TOTAL	**463,215**	**480,693**	**(17,478)**
(1) of which:			
Bills remitted for collection at 31 December but with subsequent maturity dates	*2,456*	*2,543*	*(87)*
Receivables financed under factoring agreements	*102,875*	*105,796*	*(2,921)*
Receivables assigned as security for the United States credit facility	*39,498*	*41,377*	*(1,879)*

Concentration and credit risk

Given the diversification of its activities and its geographical presence, the Group is not exposed to any material concentration risk in its client portfolio. The Group's biggest client accounted for 4.3% of revenue, the top five clients accounted for 12.4%, and the next ten clients accounted for 9.9%. The Group is therefore not dependent on any specific client.

In addition, credit risk is limited given that the majority of trade receivables in the temporary staffing segment (63.4%) are covered by credit insurance.

The aging balance of trade receivables due is as follows:

€000	Non-impaired assets past due on the closing date (net value)				*Impaired assets*	Non-impaired non-due assets	Total (net value)
	0-2 months	2-4 months	over 4 months	Total			
31/12/2019	119,062	12,011	9,939	141,011	14,798	322,204	463,215
31/12/2018	128,185	9,544	9,451	147,180	13,327	333,513	480,693

In the temporary staffing division in France, the Group uses a factoring agreement to finance its cash flow requirements, where applicable. The Group transfers its receivables while continuing to collect them in dedicated bank accounts and incur the credit risk. This factoring agreement does not fall under the derecognition requirements of IFRS 9 and trade receivables therefore remain on the assets side of the balance sheet. The upper funding limit is €80 million after the establishment of a reserve fund.

The Group's position vis-à-vis the factoring organisations consists of the factored receivables less amounts collected that are to be paid back to these organisations. It is recorded under current borrowings or, on occasions where the amounts to be paid to the factoring organisations exceed the funds obtained from factored receivables, under cash.

The financing obtained from the factoring organisations has a redemption maturity of less than twelve months.

When undrawn, the factoring amount corresponds to the asset position with respect to the factor, as detailed below:

€000	31/12/2019	31/12/2018
Trade receivables balance financed under the factoring agreement	(102,875)	(105,796)
Reserve fund set up by the factors	38,133	20,831
Undrawn amount at closing	99,642	137,934
Payments from clients collected in dedicated bank accounts and to be transferred to the factors	7,576	11,692
NET ASSET POSITION WITH RESPECT TO THE FACTORS	42,476	64,661

The Group also holds a credit facility in the United States secured by a trade receivables portfolio, with a $35 million drawdown capacity for financing its operations. This credit facility is secured by trade receivables from US business activity.

4.2.2. Other receivables

€000	31/12/2019	31/12/2018	Change
VAT	15,197	15,900	(703)
Prepaid expenses	6,993	6,987	5
Other tax receivables	1,157	1,551	(394)
Employee and social security receivables	542	1,051	(509)
Other third-party receivables	7,520	17,738	(10,218)
GROSS VALUE	**31,409**	**43,228**	**(11,819)**
Impairment	(37)	(37)	(0)
NET TOTAL	31,372	43,191	(11,819)

Other third-party receivables are mainly outstanding refunds from training organisations

4.2.3. Social security and tax liabilities

€000	31/12/2019	31/12/2018	Change
Social security organisations	102,809	109,465	(6,656)
Employees	143,244	132,670	10,574
VAT	89,279	92,865	(3,586)
State, public authorities and other liabilities	25,101	48,607	(23,506)
TOTAL	360,433	383,607	(23,174)

4.2.4. Other payables

€000	31/12/2019	31/12/2018	Change
Miscellaneous payables	38,800	33,908	4,892
Prepaid income	3,783	5,533	(1,749)
TOTAL	42,583	39,440	3,143

Miscellaneous payables primarily represent expenses to be paid and credit notes to be issued. All of these payables have a due date of less than one year.

4.3. Equity and consolidation scope

The consolidated financial statements comprise the financial statements of the parent company and those of the entities over which it has control ("subsidiaries") within the meaning of IFRS 10.

The company has control if it has:

- power over the issuing entity;
- exposure or rights to variable returns arising from its involvement with the issuing entity;
- the ability to use its power to affect the amount of the returns it obtains.

The consolidated companies are listed in Note 6.4. below.

4.3.1. Capital and treasury shares

	31/12/2019	31/12/2018
Capital (€000)	4,050	4,050
Par value per share (€)	0.36	0.36
Total number of shares (in thousands)	11,250	11,250
Number of shares authorised, issued and outstanding (in thousands)	11,102	11,096
Treasury shares (in thousands)	148	154

There are a total 11,250,000 shares with a par value of €0.36 per share. All shares are fully paid up. None of the shares have a preferential right to dividend payments.
The number of shares outstanding at 31 December 2019 was 11,101,944.
The company has no stock option or bonus share plan.

4.3.2. Earnings per share

	2019	2018
Profits to be distributed to Company shareholders (€000)	72,981	90,936
Weighted average number of ordinary shares outstanding (in thousands)	11,099	11,097
Basic and diluted earnings per share (€)	6.58	8.19

Given that there are no dilutive instruments, diluted earnings per share is equal to basic earnings per share.

4.3.3. Dividends per share

The dividend of €1 per share for the year ended 31 December 2018, representing a total payout of €11.3 million, approved by the Annual Shareholders' Meeting of 7 June 2019, was made available for payment on 28 June 2019.
A dividend of €1 per share for the year ended 31 December 2019, representing a total payout of €11.3 million, will be proposed to the Annual Shareholders' Meeting scheduled for 5 June 2020 and will be distributed on 26 June 2020 if approved[1].

4.3.4. Disclosures on the interest held by owners of non-controlling interests

			Non-controlling interests (NCI)				
Name of subsidiary or associate	**Country**	**Sector**	**% holding**	**% voting rights**	**Net income for the year attributable to NCI**	**Aggregate NCI at year-end**	**Dividends paid to NCI during the year**
Interim US - Actium	United States	Temp.	25.00%	25.00%	(197)	917	384
Congo Handling	Congo	Airport	50.08%	50.00%	(481)	(1,005)	0
CPTS	Congo	Airport	39.08%	39.00%	(45)	1,097	0
Other					615	4,142	191
TOTAL AT 31 DECEMBER 2018					**(108)**	**5,152**	**575**
Interim US - Actium	United States	Temp.	25.00%	25.00%	(2)	(706)	490
Congo Handling	Congo	Airport	50.08%	50.00%	(207)	(1,243)	0
CPTS	Congo	Airport	39.08%	39.00%	(257)	838	0
Other					636	4,655	139
TOTAL AT 31 DECEMBER 2019					**169**	**3,544**	**629**

Temp.: Temporary staffing   Airport: Airport services

4.4. Financial debt

4.4.1. Net financial debt

In its financial communications the Group uses net financial debt, a non-IFRS indicator equal to gross financial debt less liquid financial assets.

Gross financial debt comprises:

- long-term financial liabilities: loans from banks or financial institutions (medium- or long-term, finance leases, etc.) and lease liabilities,
- short-term financial liabilities of the same type,
- employee profit-sharing,
- payables related to business combinations (additional consideration and put options on minority interests),
- interest accrued on balance sheet items constituting gross financial debt.

(1) Allocation of earnings modified by the Board of Directors on 22 April 2020 (see section 3.1.4 on page 107)

Net financial debt equals gross financial debt less:

- net cash, equal to gross cash (cash in hand and demand deposits) less bank overdrafts. Interest accrued on net cash but not yet payable is included in cash.
- and liquid financial assets such as CICE. CICE is considered as a liquid receivable since it can easily be obtained.

The "Cash and cash equivalents" item in balance sheet assets comprises cash, cash in hand consisting of bank loans and receivables, and cash equivalents, which include:

- money-market funds, highly liquid short-term investments, which can be converted into a known amount of cash and which carry a negligible risk of change in value. They are measured at fair value through profit or loss by direct reference to the prices quoted on an active market for an identical instrument (Level 1 of IFRS 13-76),
- short-term deposit accounts which can be converted into cash at any time without any risk of change in value,
- any debit positions with respect to factoring organisations (see Note 4.2.1).

€000	31/12/2019	31/12/2018	Change
Borrowings, non-current portion	90,062	41,647	48,415
Borrowings, current portion	50,386	62,484	(12,098)
A - GROSS FINANCIAL DEBT	**140,448**	**104,131**	**36,317**
Cash and cash equivalents	(231,071)	(213,800)	(17,271)
Overdrafts	6,146	97,216	(91,071)
B - NET CASH	**(224,925)**	**(116,584)**	**(108,341)**
C - NET FINANCIAL DEBT BEFORE DEDUCTION OF CICE (A+B)	**(84,478)**	**(12,453)**	**(72,025)**
D - CICE TOTAL	**(137,134)**	**(210,314)**	**73,180**
E - NET FINANCIAL DEBT (C+D)	**(221,612)**	**(222,767)**	**1,155**

Change in net financial debt

€000	2019	2018
NET FINANCIAL DEBT AT START OF PERIOD	(222,767)	(189,604)
Changes in the period:		
Cash items	(54,073)	(22,103)
New borrowings	78	5,148
Repayments	(54,151)	(27,251)
Non-cash items	90,390	6,817
Translation impact on gross debt	606	1,217
New leases	17,294	5,504
Reclassification		306
Fair value of swaps	99	(139)
Operating lease liabilities at 1 January 2019	72,390	
Accrued interest	0	(71)
Change in gross financial debt	**36,317**	**(15,285)**
Change in cash incl. currency impact	**(108,341)**	**(6,331)**
CICE tax credit net of discounting		(58,312)
Accretion for past financial years	(2,387)	(3,166)
Use of CICE for corporate income tax payment	34,097	8,904
CICE refund at expiry (3 years)	41,470	41,026
CICE impact	**73,180**	**(11,547)**
CHANGE IN NET FINANCIAL DEBT	**1,155**	**(33,163)**
NET FINANCIAL DEBT AT END OF PERIOD	**(221,612)**	**(222,767)**

Repayments of borrowings amounting to €54.2 million primarily relate to:

- the United States short-term credit facility (€27.9 million),
- lease liabilities (€25.6 million) including €17.6 million relating to real estate and €5.5 million for airport services equipment.

4.4.2. Gross financial debt

4.4.2.1. Type and maturity

€000	Financing	Head office building lease liabilities(1)	Airport services equipment lease liabilities(1)	Other lease liabilities(2)	Employee profit-sharing	Other borrowings	Total
Values at 31/12/2018							
Due in < 1 year	27,548	3,833	4,554		26,375	175	62,484
Due in 1-5 years		15,333	8,687			768	24,789
Due in > 5 years		16,682				176	16,858
TOTAL 31/12/2018	**27,548**	**35,849**	**13,241**	**0**	**26,375**	**1,119**	**104,131**
Values at 31/12/2019							
Due in < 1 year	224	3,833	4,672	15,334	26,320	3	50,386
Due in 1-5 years		15,333	8,271	28,449		335	52,389
Due in > 5 years		12,947		24,497		228	37,673
TOTAL 31/12/2019	**224**	**32,114**	**12,944**	**68,280**	**26,320**	**566**	**140,448**

(1) Leases previously categorised as finance leases
(2) Operating leases detailed in Note 1.2.1

4.4.2.2.Main debt facilities

GROSS FINANCIAL DEBT

Principle borrowings	Start date	Maturity	Item total	Debt/ Amount drawn	Undrawn amount	Repayment method	Covenants	Notes
Financing								
Factoring	NA	Annual	80,000		80,000	Revolving/bullet	No	(1)
Medium-term credit lines - France	05/11/2015	05/11/2022	100,000		100,000	Revolving/bullet	Yes	(2)
Short-term credit lines - United States	15/06/2019	15/06/2020	31,155	224	30,932	Revolving/bullet	No	(3)
Total financing			**211,155**	**224**	**210,932**			
Lease liabilities								
Operating leases (Note 1.2.1)				68,280				(4)
Head office building	10/03/2016	27/03/2028		32,114		Quarterly	No	(5)
Airport services equipment				12,944		Quarterly	No	(6)
Total lease liabilities				**113,338**				
Employee profit-sharing				**26,320**			No	
Other				**566**			No	
GROSS FINANCIAL DEBT				**140,448**				

(1) Relates to one receivables assignment programme in France representing a total capacity of €80 million managed through confidential financing with a collection order
(2) €100 million RCF with drawdown capacity in euros and US dollars
(3) Credit facility secured by the receivables portfolio (Advance rate: 85% of the eligible base) with a $35 million drawdown capacity and a 12-month renewable term
(4) Lease liabilities under IFRS 16
(5) Relates to the financing of the Paris 17th district building, for which the finance lease debt amounts to €32.1 million, net of the down-payment paid to the lessor
(6) Mainly relates to the financing of equipment for the airport services operating segment

OVERDRAFT FACILITIES

Main overdrafts	Item total	Debt/Amount drawn	Undrawn amount
Authorised overdrafts - France	38,000	3,146	34,854
Authorised overdrafts - overseas	4,407	3,000	1,407
TOTAL AUTHORISED OVERDRAFTS	**42,407**	**6,146**	**36,261**

INTEREST RATE RISK

The interest rate risk is only slight. A 100-basis point change would have a €1.6 million impact on the Group's €3.6 million net cost of financial debt.

HEDGING

As the real estate finance lease agreement for the construction of office premises at 6 Rue Toulouse Lautrec, Paris was arranged at floating rates, SCI L'Arche de Saint Ouen set up an interest rate swap with BNP Paribas and Société Générale to exchange the floating rate against a fixed rate for a notional amount of €30.9 million. These swaps are used to hedge the floating rate of the underlying finance lease agreement for each lease payment date. The weighted average rate of the swaps is 1.6060%.

As the swap is 100% backed by the repayment instalments, the hedge is effective. The value of the swap at 31 December 2019 was recorded in financial debt, offset through other comprehensive income in the amount of (€0.1 million).

BREAKDOWN BY RATE TYPE AND BY CURRENCY

€000	31/12/2019	31/12/2018
Fixed rate	130,351	65,330
Floating rate	10,097	38,801
GROSS FINANCIAL DEBT	**140,448**	**104,131**
EUR	133,229	75,621
USD	4,856	27,771
XAF	1,284	525
Other currencies	1,078	214
GROSS FINANCIAL DEBT	**140,448**	**104,131**

FINANCIAL COVENANTS

The €100 million medium-term credit facility in France requires compliance with a financial leverage ratio (consolidated net debt/consolidated EBITDA):

- below 2.5 on 31 December of each year,
- 2.75 on 30 June of each year.

Calculation of the leverage ratio has been adapted to exclude any impact related to IFRS 16.

Consolidated net debt is defined as consolidated net financial debt before deduction of CICE and excluding debt related to employee profit-sharing and put options over non-controlling interests. Consolidated EBITDA is defined as consolidated current operating income plus net appropriations to provisions for operating impairment of assets and provisions for contingencies and charges, net amortisation and depreciation of intangible assets and property, plant and equipment and non-recurring expenses, less non-recurring income. This covenant was met at 31 December 2019.

LIQUIDITY RISK

In the course of its business, in addition to the dividend paid to its shareholders, the Group needs to finance a sizeable working capital requirement (Note 4.2) as well as its acquisitions. Working capital is generally financed through short-term credit facilities (overdraft, factoring, etc.), while acquisitions are financed with equity or via medium-term financing. At 31 December 2019, the company had credit facilities of €211 million (€100 million of which was confirmed, with a maturity of over 12 months), on which it had drawn €0.2 million.

The liquidity risk is directly correlated to the Group's cash flow generating capacity and/or ability to raise funds to meet its loan repayment instalments and derivative payments.

To anticipate and handle this risk, the Group has taken the following measures:

- Diversify its sources of funding among the various financial institutions,
- Centralise cash management;
- Permanently maintain a significant number of undrawn facilities.

It is worth noting that the Group did not draw on its CICE competitiveness and employment tax credit, which amounted to €137.1 million at 31/12/2019.

FINANCIAL COUNTERPARTY RISK

The Group is exposed to counterparty risk when it trades on financial markets, particularly for cash flow management purposes. It limits this risk by engaging solely, where possible, with commercial banks with high credit ratings and by avoiding an over-concentration of market transactions with a limited number of financial institutions. Accordingly, Group net cash of €224.9 million is distributed across all of these financial institutions.

FOREIGN EXCHANGE RISK

In its international operations, the Group is exposed to the risk of fluctuating exchange rates, especially that of the US dollar.

This risk arises in the transactions carried out by the Group's companies in currencies other than their functional currency (functional currency risk) as well as in the assets and liabilities denominated in foreign currencies (translation risk).

The Group's entities generally operate in their local currency which is their functional currency; proceeds from sales are denominated in the same currency as operating expenses, making for natural hedging. Functional currency risk is thus limited to intra-group financing transactions which are not refinanced in the currency in which the intra-group financing is effected.

The risk arising from translating the financial statements of the Group's foreign entities into the reporting currency in the Group's financial statements is not hedged.

NET BALANCE SHEET POSITIONS IN THE MAIN CURRENCIES

All assets and liabilities, including non-monetary, are categorised below by functional currency.

€000	Current and non-current assets	Current and non-current liabilities	Foreign currency liabilities	Net position before hedging	Hedging instruments	Net position after hedging
2019						
EUR	1,052,074	577,023		475,051		475,051
USD	145,143	20,384		124,759		124,759
XAF	16,003	16,341		(338)		(338)
Other currencies	41,908	19,079		22,829		22,829
TOTAL	1,255,128	632,827	0	622,301	0	622,301
2018						
EUR	1,067,228	644,153		423,075		423,075
USD	152,555	42,839		109,716		109,716
XAF	15,995	15,195		800		800
Other currencies	39,481	15,494		23,987		23,987
TOTAL	1,275,258	717,680	0	557,578	0	557,578

Table of Group income and equity sensitivity to currency risk

	Impact on income before tax		Impact on equity before tax	
€000	5% increase	5% decrease	5% increase	5% decrease
2019				
EUR	0	0	0	0
USD	486	(486)	1,572	(1,572)
XAF	0	0	0	0
Other currencies	210	(210)	60	(60)
TOTAL	695	(695)	1,633	(1,633)
2018				
EUR	0	0	0	0
USD	398	(398)	1,070	(1,070)
XAF	0	0	0	0
Other currencies	203	(203)	81	(81)
TOTAL	601	(601)	1,152	(1,152)

4.4.3. Cash and cash equivalents

The net cash position, the changes for which are shown in the consolidated statement of cash flows, comprises cash and cash equivalents less bank overdrafts.

€000	31/12/2019	31/12/2018
CASH	211,039	193,360
Cash equivalents		
Money-market funds	32	440
Short-term deposits	20,000	20,000
TOTAL CASH EQUIVALENTS	20,032	20,440
TOTAL CASH AND CASH EQUIVALENTS	231,071	213,800

The Group's cash is managed through different cash-pooling agreements, the figures for which are listed either under cash and cash equivalents on the assets side of the balance sheet or in bank overdrafts on the liabilities side of the balance sheet. At 31 December 2019, these agreements showed an available balance of €2.8 million recorded under cash and cash equivalents. The net available balance under these agreements was €11 million at 31 December 2018, recorded in the amount of €102 million under assets and €91 million under liabilities.

The average all-in (including directly assignable commission and expenses) interest rate paid under Group financing during the financial period amounts to 1.6%.

The €108.3 million increase in net cash can be analysed as follows:

- a €185 million inflow from operating activities,
- a €7.8 million outflow related to capital expenditure transactions,
- a €69.2 million outflow related to financing activities, including €11.8 million of dividends and €54 million of net loan repayments.

4.5. Additional information on financial instruments

The following tables present the book values, classification and fair value of financial instruments according to IFRS 9 financial instrument categories as at the balance sheet date.

4.5.1. Categories of financial assets

€000	Net book value at 31/12/2019 Non-current	Current	Total	Fair value at 31/12/2019	Net book value at 31/12/2018	Fair value at 31/12/2018
LOANS AND RECEIVABLES AT AMORTISED COST	140,521	714,661	855,182	855,182	933,914	933,914
Loans and receivables and other long-term investments	140,521		140,521	140,521	214,650	214,650
Trade receivables		463,215	463,215	463,215	480,693	480,693
Other receivables		31,372	31,372	31,372	43,191	43,191
Tax receivables		9,034	9,034	9,034	2,020	2,020
Bank current accounts		211,039	211,039	211,039	193,360	193,360
FINANCIAL ASSETS STATED AT FAIR VALUE THROUGH PROFIT OR LOSS	0	20,032	20,032	20,032	20,440	20,440
Money market UCITS		32	32	32	440	440
Short-term deposits		20,000	20,000	20,000	20,000	20,000
TOTAL	140,521	734,693	875,214	875,214	954,355	954,355

The amortised cost of loans and receivables is equal to their fair value.

4.5.2. Categories of financial liabilities

€000	Net book value at 31/12/2019 Non-current	Current	Total	Fair value at 31/12/2019	Net book value at 31/12/2018	Fair value at 31/12/2018
FAIR VALUE THROUGH EQUITY	1,633	0	1,633	1,633	1,535	1,535
Borrowings	1,633	0	1,633	1,633	1,535	1,535
OTHER LIABILITIES AT AMORTISED COST	88,429	499,585	588,015	588,015	669,824	669,824
Borrowings	88,429	50,386	138,815	138,815	102,596	102,596
Bank overdrafts and related expenses		6,146	6,146	6,146	97,216	97,216
Trade payables		37,723	37,723	37,723	45,736	45,736
Social security and tax liabilities		360,433	360,433	360,433	383,607	383,607
Tax payables		2,316	2,316	2,316	1,228	1,228
Other payables		42,583	42,583	42,583	39,440	39,440
TOTAL	90,062	499,585	589,648	589,648	671,359	671,359

4.6. Provisions for other liabilities

A provision is recognised when the Group has a current legal or constructive obligation to a third party resulting from a past event, the settlement of this obligation is likely to cause an outflow of resources representing economic benefits, and the amount of the obligation can be reliably estimated.

Provisions are valued at the amount equal to the best estimate of the expenditure required to discharge the obligation that the Group's management can make at the closing date.

Provisions for disputes mainly relate to industrial tribunal risks. The other provisions relate to the various business, legal, employee-related and tax risks arising from disputes or legal procedures in the Group's normal course of business. These risks are measured according to the nature of the dispute, information on previous dispute settlements and current jurisprudence.

€000	31/12/2018	Charges	Reversals (provisions used)	Reversals (unused provisions)	31/12/2019
Provisions for disputes	5,170	671	(1,230)	(993)	3,109
Other provisions	7,646	2,639	(1,097)	(1,817)	7,371
TOTAL	12,815	3,311	(2,327)	(2,810)	10,480

No other administrative, legal or arbitration proceedings of which the company is aware to date, either pending or threatened, have had or are likely to have a material impact on the financial position or profitability of the company and/or Group in the past twelve months.

5. Off balance-sheet commitments

5.1. Off balance-sheet commitments related to company financing

5.1.1. Commitments given

€000	Main features	Maturity	31/12/2019	31/12/2018
Pledge of AERCO shares by CPTS as security for the AERCO bank loan	Financial guarantee for bank loan granted to an associate	Unlimited	4,535	4,535

5.1.2. Commitments received

€000	Main features	Maturity	31/12/2019	31/12/2018
Commitments related to financing				
Crédit Agricole factoring agreement	Unused portion of €80 million line of credit commitment	Unlimited	80,000	80,000
France medium-term credit facility	Unused portion of €100 million credit facility	05/11/2022	100,000	100,000
Short-term credit facility - United States	Unused portion of $35 million credit facility		30,932	3,020
Overdraft facility	Unused portion of credit facilities totalling €42 million		36,261	36,090

5.2. Off balance-sheet commitments related to company operating activities

5.2.1. Commitments given

€000	Main features	Maturity	31/12/2019	31/12/2018
Financial guarantee				
Counter-guarantee given by Groupe CRIT to BNP Paribas	Guarantee of workplace accident insurance contract deductibles	2020	7,875	8,432
Financial guarantee for amounts due within the terms of the finance lease agreement for the Paris 17th district building by SCI Saint Ouen to Natiocredibail (1)	Assignment of subleasing rental income for the building	31/05/2026	12,682	11,231
Financial instruments concluded for the delivery of a non-financial item				
Purchase commitment given by GEH to various suppliers	Firm commitment to purchase uniforms	Unlimited	712	695

On 3 July 2018, Groupe Europe Handling (GEH) entered into a memorandum of understanding with ADP whereby ADP undertook to construct a warehouse and office building at Roissy-en-France, to be delivered to GEH no later than 31 October 2020, and GEH undertook to lease this building.

5.2.2. Commitments received

€000	Main features	Maturity	31/12/2019	31/12/2018
Financial guarantee				
Financial guarantee given by BNP Paribas	Guarantee of workplace accident insurance contract deductibles	2019	7,875	8,432
First demand guarantees				
First demand guarantee given by Credit Lyonnais to Aéroports de Paris for the France airport services subsidiaries	Civil lease guarantees	2019 to 2023	2,944	2,440
Other property guarantees	Civil lease guarantees		1,108	613
Guarantees received				
Bank guarantee in favour of CRIT SAS (1)	Financial guarantee for temporary staffing business in France (Articles L. 1251-49 and R. 1251-11 to R. 1251-31 of the French Labour Code)	30/06/2020	107,000	104,360
Bank guarantee in favour of Les Compagnons, Les Volants, AB Intérim (1)	Financial guarantee for temporary staffing business in France (Articles L. 1251-49 and R. 1251-11 to R. 1251-31 of the French Labour Code)	30/06/2020	17,970	17,290
Bank guarantee in favour of CRIT España	Financial guarantee for temporary staffing business in Spain	Unlimited	6,796	6,796
Bank guarantee in favour of CRIT Suisse	Financial guarantee for temporary staffing business in Switzerland	Unlimited	369	355
Other guarantees	Customer and supplier guarantees		2,241	1,470

(1) The financial guarantees given by the banks in favour of CRIT SAS, AB INTERIM, LES COMPAGNONS and LES VOLANTS in respect of their temporary staffing activities pursuant to Articles L. 1251-49 and R. 1251-11 to R. 1251-31 of the French Labour Code have a one-year limited duration and may be renewed each year.

6. Other information

6.1. Related party disclosures

IAS 24 defines a related party as a person or entity that is related to the entity that is preparing its financial statements.

All commercial transactions with unconsolidated entities are concluded under normal market conditions.

6.1.1. Remuneration of corporate officers

The remuneration paid by the Group to the main corporate officers - the Chairman and Chief Executive Officer and Deputy Managing Directors - amounted to €729,000 in 2019 compared to €726,000 in 2018. No post-employment benefits or loans have been granted to corporate officers. Likewise, the Group has allocated no shares or options to corporate officers.

6.1.2. Other related parties

Transactions with other related parties mainly comprise the following:
- leases granted on arm's length terms by the SCIs (sociétés civiles immobilières - property investment companies), which are managed by directors Claude GUEDJ or Nathalie Jaoui, and in which all Groupe CRIT directors are partners,
- sales invoiced by the Group to equity-consolidated companies (associates).

€000	2019	2018
Leases invoiced to the Group by the SCIs		
SCI LA PIERRE DE CLICHY	128	136
SCI HUGO MOREL	74	74
SCI LA PIERRE DE SAINT DENIS	18	18
SCI LA PIERRE DE SENS	16	16
SCI LA PIERRE DE ROUEN	17	16
SCI LA PIERRE DE TOULON	14	13
SCI LA PIERRE D'AUBAGNE	13	13
SCI LA PIERRE CHATEAUROUX	11	10
SCI LA PIERRE D'AUXERRE	11	10
SCI LA PIERRE DE QUIMPER	9	9
	310	**315**
Sales invoiced by the Group		
Global SQ	2,479	6,627
Trade receivables and other current account receivables		
OVID	0	110
Global SQ	1,469	2,207
SCCV 50 AV DE LA PORTE DE VILLIERS	0	26
SCCV LES CHARMES	160	157
SHP RS DOO Serbia	696	437
	2,325	**2,937**

The summarised financial disclosures on equity-consolidated companies are given in Note 4.1.4.

6.2. Statutory auditors' fees

€000	PricewaterhouseCoopers Audit				EXCO Paris Ace			
	Amount excl. VAT		%		Amount excl. VAT		%	
	2019	2018	2019	2018	2019	2018	2019	2018
Certification of the financial statements								
- Issuer	106	88	25%	21%	45	44	30%	26%
- Fully-consolidated subsidiaries	301	319	71%	75%	104	122	70%	73%
Non-audit services								
- Issuer	14	17	3%	4%				
- Fully-consolidated subsidiaries						2	0%	1%
TOTAL	421	424	100%	100%	149	168	100%	100%

Non-audit services concern various statements prepared for Group subsidiaries.

6.3. Post-balance sheet events

As set out in the Risk Factors section of the Universal Registration Document: "the materialisation of public health [...] risks may, under exceptional circumstances, bring about a rapid and significant downturn in the market."

At the time of this report, the spread of coronavirus and the lockdown measures implemented by the French and foreign governments are impacting all economic and commercial activities worldwide. The extent and duration of the effects cannot yet be reliably measured.

At Groupe CRIT level, as the temporary staffing and airport services divisions are highly correlated to GDP, business volumes have been significantly impacted since mid-March by the economic effects of the pandemic (lockdown, border and airspace closures, etc.).

In temporary staffing, after a 6.3% decline in temporary employees over the first two months of the year, the French market is currently registering a fall of between 60% and 80% in certain industries (source: Prism'emploi).

After a 6.2% fall in business over the first two months of the year in France (up 0.5% excluding the automotive sector), the most recent trend recorded at the end of March was a 75% decline in the Group's temporary staffing and recruitment business.

Airport services had a promising start to the year with revenue growth of 6.6% in January and February in France. After air traffic was brought to a virtual standstill and airport hubs and runways closed in mid-March, the Group recorded a 90% fall in its airport services business in France at the end of that month. Given this situation, the Group has had to implemented short-time working measures for all affected staff.

At present, it is impossible to precisely measure the impact on Group earnings. Although the various measures (expansion of short-time working, suspension or deferral of certain contributions, guarantee funds, etc.) taken by governments in the different regions in which the Group operates should provide the Group with financial support, there remain too many uncertainties to accurately assess the financial consequences of the pandemic at the date of this report.

The Group has rapidly introduced the necessary measures to adapt to the situation and reduce its cost bases (short-time working, deferred payment of charges, debt collection and the procurement of credit insurance coverage, etc.).

With regard to the financing of its business, at 31 December 2019 the Group had cash of €231 million, an available CICE tax credit of €137 million, and respectively €211 million and €36 million of undrawn credit facilities and overdrafts (see Note 4.4). Only the €100 million medium-term French credit facility is subject to covenant tests liable to be affected by COVID-19. However, as set out in Note 4.4, covenant ratios were well within the required limits at 31 December 2019.

Furthermore, management has implemented:

- an action plan aimed at employees and clients to ensure the Group's business continuity,
- a unit responsible for ensuring the continuation of operational capacity within the divisions whilst limiting the potential impact of the epidemic on Group employees.

6.4. Consolidation scope

Company	Siren (business registration number)	% interest 31/12/2019	% interest 31/12/2018	Consolidation method
GROUPE CRIT (Paris)	622 045 383	Parent company		Full consolidation
Temporary staffing and recruitment				
CRIT INTERIM (Saint-Ouen)	303 409 247	99.10	99.10	Full consolidation
LES VOLANTS (Paris)	301 938 817	98.89	98.89	Full consolidation
LES COMPAGNONS (Paris)	309 979 631	95.00	95.00	Full consolidation
AB INTERIM (Paris)	642 009 583	95.00	95.00	Full consolidation
CRIT (Paris)	451 329 908	99.71	99.71	Full consolidation
PRESTINTER (Paris)	334 077 138	95.00	95.00	Full consolidation
PROPARTNER (Germany)	NA	100.00	100.00	Full consolidation
CRIT INTERIM (Switzerland)	NA	99.71	99.71	Full consolidation
CRIT ESPANA (Spain)	NA	100.00	100.00	Full consolidation
CRIT CARTERA (Spain)	NA	100.00	100.00	Full consolidation
ADAPTALIA OUTSOURCING SL (Spain)	NA	100.00	100.00	Full consolidation
CRIT PROCESOS AUXILIARES SL (Spain)	NA	100.00	100.00	Full consolidation
CRIT CONSULTORIA (Spain)	NA	100.00	100.00	Full consolidation
CRIT EMPRESA DE TRABALHO TEMPORÁRIO (Portugal)	NA	100.00	100.00	Full consolidation
CRIT MAROC (Morocco)	NA	98.67	98.67	Full consolidation
C-SERVICES (Morocco)	NA	99.87	99.87	Full consolidation
CRIT RH (Tunisia)	NA	94.67	94.67	Full consolidation
CRIT TUNISIE (Tunisia)	NA	94.67	94.67	Full consolidation
CRIT CORP (United States)	NA	100.00	100.00	Full consolidation
PEOPLELINK (United States)	NA	100.00	100.00	Full consolidation
SUSTAINED QUALITY (United States)	NA	100.00	100.00	Full consolidation
2AM GROUP ONTARIO (United States)	NA	100.00	100.00	Full consolidation
ACTIUM (United States) (1)	NA	-	75.00	Full consolidation
GLOBAL SQ (United States)	NA	49.00	49.00	Equity method
Airport services				
PARIS CUSTOMERS ASSISTANCE (Tremblay-en-France)	502 637 960	99.84	99.84	Full consolidation
AERO HANDLING (Tremblay-en-France)	792 040 289	99.84	99.84	Full consolidation
CARGO GROUP (Tremblay-en-France)	789 719 887	99.84	99.84	Full consolidation
ORLY CUSTOMER ASSISTANCE (Tremblay-en-France)	515 212 801	99.84	99.84	Full consolidation
ORLY RAMP ASSISTANCE (Tremblay-en-France)	515 212 769	99.84	99.84	Full consolidation
GEH SERVICES (Tremblay-en-France)	515 212 785	99.84	99.84	Full consolidation
RAMP TERMINAL ONE (Tremblay-en-France)	515 192 763	99.84	99.84	Full consolidation
ORLY GROUND SERVICES (Tremblay-en-France)	827 803 339	99.84	99.84	Full consolidation
CARGO HANDLING (Tremblay-en-France)	814 167 599	99.84	99.84	Full consolidation
AIRLINES GROUND SERVICES (Tremblay-en-France)	411 545 080	99.64	99.64	Full consolidation
ASSISTANCE MATERIEL AVION (Tremblay-en-France)	410 080 600	99.68	99.68	Full consolidation
EUROPE HANDLING MAINTENANCE (Tremblay-en-France)	404 398 281	99.68	99.68	Full consolidation
GROUPE EUROPE HANDLING (Tremblay-en-France)	401 144 274	99.84	99.84	Full consolidation
INSTITUT DE FORMATION AUX METIERS DE L'AERIEN (Tremblay-en-France)	409 514 791	99.68	99.68	Full consolidation
EUROPE HANDLING (Tremblay-en-France)	395 294 358	99.77	99.77	Full consolidation
ADVANCED AIR SUPPORT INTERNATIONAL (Le Bourget)	841 280 704	99.84	99.84	Full consolidation
NICE HANDLING (Nice)	811 870 328	99.84	99.84	Full consolidation
AWAC TECHNICS (Tremblay-en-France)	412 783 045	99.60	99.60	Full consolidation
OVID (Tremblay-en-France)	534 234 661	33.33	33.33	Equity method
CONGOLAISE DE PRESTATIONS DE SERVICES - CPTS (Congo)	NA	60.90	60.90	Full consolidation
REPUBLIC OF CONGO AIRPORTS - AERCO (Congo)	NA	15.23	15.23	Equity method

Company	Siren (business registration number)	% interest		Consolidation method
		31/12/2019	31/12/2018	
SKY PARTNER R.S. DOO. (Serbia)	NA	47.92	47.92	Equity method
CONGO HANDLING (Congo)	NA	49.92	49.92	Full consolidation
ADVANCED AIR SUPPORT MAROC (Morocco) (2)	NA	99.84	-	Full consolidation
SKY HANDLING PARTNER SIERRA LEONE (Sierra Leone)	NA	79.87	79.87	Full consolidation
SKY HANDLING PARTNER (Ireland)	NA	100.00	100.00	Full consolidation
SKY HANDLING PARTNER SHANNON (Ireland) (3)	NA	-	100.00	Full consolidation
ARIA LOGISTICS (United Kingdom)	NA	89.86	89.86	Full consolidation
SKY HANDLING PARTNER UK (United Kingdom)	NA	89.86	89.86	Full consolidation
COBALT GROUND SOLUTIONS (United Kingdom)	NA	99.84	99.84	Full consolidation
SHP NORTH AMERICA (United States)	NA	99.84	99.84	Full consolidation
SKY HANDLING PARTNER USA (United States)	NA	99.84	99.84	Full consolidation
Other services				
OTESSA (Paris)	552 118 101	99.00	99.00	Full consolidation
CRIT CENTER (Paris) (4)	652 016 270	-	99.86	Full consolidation
E.C.M. (Paris)	732 050 034	99.00	99.00	Full consolidation
MASER (Paris)	732 050 026	99.94	99.94	Full consolidation
CRIT IMMOBILIER (Paris)	572 181 097	95.00	95.00	Full consolidation
SCI L'ARCHE DE SAINT OUEN (Paris)	799 904 487	100.00	100.00	Full consolidation
R.H.F. (Clichy)	343 168 399	99.99	99.99	Full consolidation
PEOPULSE (Colombes)	489 466 474	100.00	100.00	Full consolidation
HUMKYZ (Colombes) (5)	879 871 515	100.00		Full consolidation
SCI SARRE COLOMBES (Paris)	381 038 496	99.66	99.66	Full consolidation
SCI RIGAUD PREMILHAT (Paris)	312 086 390	90.00	90.00	Full consolidation
SCI MARCHE A MEAUX (Paris)	384 360 962	99.00	99.00	Full consolidation
SCI DE LA RUE DE CAMBRAI (Paris)	403 899 818	99.66	99.66	Full consolidation
SCI ALLEES MARINES (Paris)	381 161 595	99.00	99.00	Full consolidation
SCCV LES CHARMES (Paris)	491 437 018	47.50	47.50	Equity method
SCCV 50 AV PORTE DE VILLIERS (Paris) (6)	492 855 648	50.00	50.00	Equity method

(1) Acquisition of additional 25% stake on 1 January and merger with PeopleLink
(2) Acquisition on 24 January 2019
(3) Liquidation on 14 August 2019
(4) Sale on 7 January 2019
(5) Incorporated on 17 December 2019
(6) Liquidation on 25 November 2019

Groupe Crit financial reporting schedule

Financial reporting	FY 2020
Revenue Q1 Q2 Q3 Q4	 22 April 2020* (after market close) 22 July 2020* (after market close) 21 October 2020* (after market close) 27 January 2021* (after market close)
H1 2020 results Financial press release SFAF investors meeting	 22 September 2020* (after market close) 23 September 2020*
2020 annual results	March 2021

*Provisional dates

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