CIS

Integrated Life Support Services

Annual Report 2019

CIS AT A GLANCE

Since 1992, CIS Group has been supporting major players in the hydrocarbon, mining, construction and armed forces sectors, at every stage of their projects, in the most remote offshore and onshore environments.

As a provider of integrated services, CIS has a full range of services and turnkey solutions designed to assure the well-being and safety of the residents of the remote sites so that our customers can concentrate on their own core businesses.

+ 51 million meals served in 2019

230 sites of operation in **20 countries**

25 services to meet our customers' needs

CIS
Integrated Life Support Services

12 500 employees of 65 nationalities

12 million km travelled in 2019

€265.7m in revenue for FY 2019

CIS in Russia

CHAIRMAN'S STATEMENT

CIS, a story of conviction, passion and boldness

2019 marked CIS' return to organic growth. Our consolidated revenue reached **€265.7 million** for the period compared to €224.2 million in 2018 up 18.5%.
This was CIS' best performance in terms of growth in the last eight years.

The year was also marked by the arrival of **Yannick Morillon as Deputy Chief Executive Officer** with the mission of implementing the development plan designed to ensure the Group's sustainable growth and improve its profitability.

CIS expanded its international reach by entering three new countries, Senegal, Cameroun and Gabon.

The Group also finalised the acquisitions of Alternativa and Beta in Brazil, a unique opportunity for the Group to strengthen its market position in this country expected to see very significant developments.

With its extensive range of services, CIS is well-positioned today to meet the needs of its customers as a world-class full-service provider.

We are also accelerating the development of our digital solutions and services capable of contributing to the performance of our customers.

"As a result of CIS' extensive range of services, we are well-positioned today to meet the needs of our customers as a world-class full-service provider."

“ ...Our Group’s DNA: a passion for our mission of delivering services in difficult regions, a constant search for excellence and challenge-driven culture and a commitment to protecting our teams...”

Our goal is supported by solid foundations that we must use to leverage our position as a **top-tier international provider of remote site services** by focusing on three priorities:

- Maintaining our **independence as a family-owned Group and our Group’s DNA:** a passion for our mission of delivering services in difficult regions, a constant search for excellence, a challenge-driven culture and mand a commitment to protecting our teams.

- The second priority is to support our customers in successfully achieving their projects throughout the world by proposing **competitive, high-quality and innovative services.** On that basis, we have introduced new services with extremely innovative digital applications**.**

- The third priority is **external growth. We will thus pursue our strategy of developing through acquisitions with determination.**

These above measures have been supplemented by stronger measures taken to improve our profitability, cash flows and competitiveness in all the Group’s geographic regions.

Finally, as a responsible corporate citizen, we are committed to widely applying our CSR initiatives in all countries where we operate for the benefit of our employees, customers and local communities.

These successes and strengths confirm the relevance of the Group’s strategy and will contribute to guaranteeing the long-term development of CIS.

I would like to thank all CIS’ staff throughout the world, our customers, our shareholders and our partners who contribute to the Group’s success.

Régis Arnoux
Founder & Chairman-Chief Executive Officer

CIS in Chad

GOVERNANCE

Management Committee

1 Régis Arnoux
Chairman-CEO

A Yannick Morillon
Deputy Chief Executive Officer

3 Florence Arnoux
Key Accounts Manager

4 Frédérique Salamon
Advisor to the Chairman

B Julien Salas
Deputy Managing Director

C Franck Briesach
Chief Financial Officer

D Stéphane Caille
Vice President Human Resources

E Natacha Cartagena
Vice President Communications

Executive Committee

Comprised of the Management Committee, each Department Manager and the Regional Managers.

Operational Committee

Comprised of the Management Committee and six Regional Managers representing our 20 countries of operation.

The purpose of these committees is to accelerate the Group's growth and performance and involve all of the headquarters' departments, expertise and competencies. From the outset, the Group's DNA has been based on a long-term vision driven the strong commitment of its teams.

Board of Directors

CIS is an independent family-owned Group for which the quality of its governance is the result of an engaged and demanding Board of Directors.

1 Régis Arnoux
Chairman and Founder of CIS

2 Monique Arnoux
Vice-Chairwoman of the CIS Foundation

3 Florence Arnoux
CIS Key Accounts Manager

4 Frédérique Salamon
Advisor to the Chairman

5 Sophie Le Tanneur
Financière Lucinda

6 Frédéric Bedin
Chairman of the Executive Board of Hopscotch

7 Gonzague de Blignières
Chairman of Raise Conseil (SAS)

8 Henri de Bodinat
Cantos Ltd

9 Yves-Louis Darricarrere
YLD Conseil

10 Amiral Pierre-François Forissier
Marine Firminy

● Audit and Risk Committee member
● Compensation Committee member
○ Strategy Committee member

Ethics Charter

CIS is committed to sharing and promoting its ethical principles of business conduct with all its employees.

Transparency: directors, employees, customers, suppliers, shareholders of the Group are expressly informed of any subject concerning its performance and offering.

Integrity: the Group has implemented an anti-corruption programme defining the common set of rules to be applied by each person within CIS and adheres to the “Middlenext anti-corruption code» in 2017.

Responsibility: each employee reviews this Middlenext anti-corruption code, the Ethics Charter and all processes that support them and must be complied with in all circumstances.

CIS in Mongolia

INTEGRATED LIFE SUPPORT SERVICES

FOOD SERVICES AT THE HEART OF OUR OFFERING

CIS in Kazakhstan

For more than 20 years, delivering food services has been our core business. CIS offers a complete range of menus, combining conviviality and nutritional balance and respecting both local eating habits and customs and international quality standards.

Whether for onshore or offshore environments, CIS developed food services solutions adapted to their specific constraints and the demands of each customer. CIS provides personnel that are qualified and well-trained for day-to-day operations working closely with our customers to develop menus custom-designed for the residents. In the area of food safety, we verify on a permanent basis the application of all processes in place, from the production of meals to their delivery, so as to guarantee optimal safety and quality at all of our sites.

Dietary issues are today at the heart of strategies for the company and for health. CIS provides nutritional programmes that are both balanced and enjoyable developed by our kitchen chefs from fresh locally grown products. We guarantee full transparency about the products we use and that are designed in an environmentally-respectful manner.

With nearly 51 million meals served in 2019, CIS Group is very conscious of the health effects of an unbalanced diet. To participate in the fight against cardiovascular illnesses and obesity, CIS chefs receive specific training on measures for reducing saturated fats, sugar and salt in the composition of menus.

CIS in Mozambique

+ 51 million meals served in 2019

89% of our customers satisfied in 2019

+ 92% of supplies locally sourced in 2019

Health4you by CIS

A simple and intuitive nutritional programme

HACCP

Strict application of food safety principles

Delivering a quality service

Creating menus and recipes adapted to the different nationalities of our customers to ensure a consistent level of quality in the delivery of its services.

An optimised system for monitoring meals

CIS proposes an automated system for monitoring meals based on the use of badges (with mobile reading devices) and access control to ensure traceability.

ACCOMMODATION

CIS provides a full range of accommodation services from the administration of the living compounds to e-concierge services and the management of laundry services, housing units and all the site's installations.

CIS offers its customers integrated planning and tracking solutions for hotel management from the reception of residents to performance reporting for each of the provided services.

Hospitality and reception

Accommodation

Laundry

Cleaning and maintenance

Concierge

CIS in Bolivia

INNOVATIVE AND HIGHLY EFFICIENT LAUNDRY SERVICES

CIS TEAMS HAVE DEVELOPED A TRACKING SYSTEM TO FACILITATE LAUNDRY MANAGEMENT

Tracking system

CIS proposes a system for tracking laundry: microchips equipped with a UHF RFID-based contactless technology are invisibly applied to the residents' linen and work clothing to provide real-time tracking from their collection to their return back to the living quarters.

At our operation in Mongolia, several tens of thousands of textile tags have already been thermo-patched to the new linen which can now be identified and inventoried in just a few minutes.

This system generates meaningful indicators and quality reports (number of washes per piece and customer, daily flows, etc.), that contribute to reducing costs and theft, providing better traceability, productivity and reliable and rapid inventories.

This solution can be applied across the supply chain (transport, logistics, maintenance, laundry services), enhances CIS' capabilities and makes it possible for the Group to offer its customers innovative and highly effective services.

CIS in Mongolia

FACILITY MANAGEMENT AND INTEGRATED SERVICES

Because each of our customers has their own specific needs, CIS Group has developed a range of integrated services to support our customers over the entire course of their project.

Our expertise covers many types of services from access control to multi-technical maintenance, waste and water treatment to the construction of living compounds and the complete management of all on-site installations.

CIS teams ensure maintenance for all the living compounds installations which contributes to extending their operating lifecycle while optimising costs.

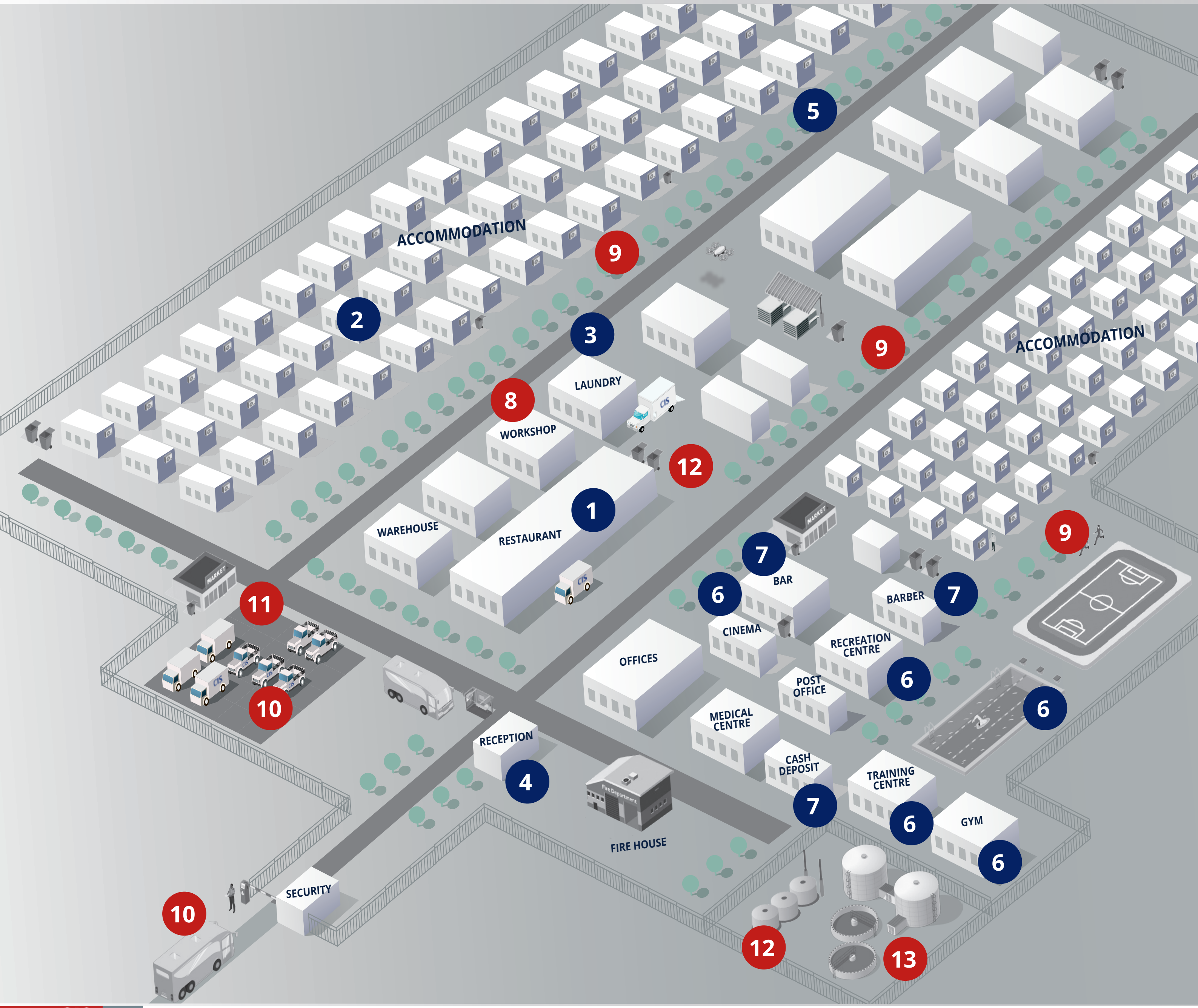
By ensuring both the effective management of the site and compliance with health and safety standards, our customers are able to concentrate on their own core business, while being sure they benefit from efficient services best adapted to their needs.

CIS in Eritrea

CIS in Mali

INTEGRATED REMOTE SITE MANAGEMENT SERVICES

Starting with the SystemONE digital process developed by CIS, customers are offered a number of innovative services designed to enhance safety, comfort, health and operational performance.



FROM CATERING TO FACILITY AND UTILITY MANAGEMENT

1 CATERING

2 ACCOMMODATION

3 LAUNDRY

4 RECEPTION AND CONCIERGE SERVICES

5 LANDSCAPING

6 RECREATIONAL ACTIVITIES & LEISURE

7 COMFORT & WELL-BEING

MAINTENANCE 8

PEST-CONTROL 9

TRANSPORTATION AND FLEET MANAGEMENT 10

INDUSTRIAL CLEANING 11

WASTE MANAGEMENT 12

ENERGY MANAGEMENT 13

WATER MANAGEMENT & TREATMENT 14

INTEGRATED DIGITAL SOLUTIONS +

Scan me for more information about SystemONE

INNOVATIONS TO ENHANCE PERFORMANCE

AN INNOVATION-DRIVEN BUSINESS

"Pursuing innovation as a source of differentiation and better service to our customers."

Régis Arnoux

In a world of perpetual change, more than ever, innovation is vital.
In 2050, in a world with more than 9 billion people to feed, the solutions of today will no longer be enough.
Building on its 28 years of experience, CIS anticipates the market trends and considers the major societal challenges as tremendous opportunities for growth by providing its customers with services based on cutting-edge technologies.

In 2019, CIS created an Innovation Committee to assess the changing needs of our markets, customers, residents, employees and to develop new solutions, products and services specifically adapted to these needs.
This Committee is spearheaded by the Group's IT Services Department and supported by its Executive Management. It is comprised of members from the QHSE, CSR, Marketing, Communications, Performance and Operations departments.

Innovation Committee

With a permanent objective of offering new and useful services for our customers, we are constantly monitoring digital technical developments, identifying emerging new technologies and making use of the latest tools and solutions.

A connected scale to reduce food waste and improve competitiveness

Roughly one third of the food produced in the world gets lost or wasted. As a responsible corporate citizen, CIS has adopted an innovative solution on some of its sites of operation.

This solution makes it possible to easily and immediately monitor the financial and environmental impact of this waste by training personnel on site.

Health, safety and well-being:
Improving the quality of life of residents on-site through our virtual-reality leisure activity offering

Training in the use of virtual reality technology is also proposed on sites.

CIS is developing partnerships with start-ups to adopt the most innovative solutions at its sites.

CIS in Niger

2019,
POSITIVE GROWTH MOMENTUM

ANNUAL HIGHLIGHTS

February

DENIS GASQUET joins CIS as special advisor to Régis Arnoux

March

OPENING IN SENEGAL
New country of operation

May

Acquisitions of ALTERNATIVA AND BETA in Brazil, strengthening our position in the Brazilian offshore market

June

YANNICK MORILLON joins CIS as Deputy Chief Executive Officer

July

OPENING IN GABON
New country of operation

November

OPENING IN CAMEROUN
New country of operation

December

KINROSS RENEWS ITS CONFIDENCE
CIS was awarded the call for tenders of Kinross in Russia and continued its collaboration with this customer in Mauritania where CIS has been operating since 2011

3 NEW COUNTRIES IN 2019

SENEGAL

CIS began its activities in this new country with a new customer in the mining sector, ERAMET Group, a global mining and metallurgical Group and the French market leader.

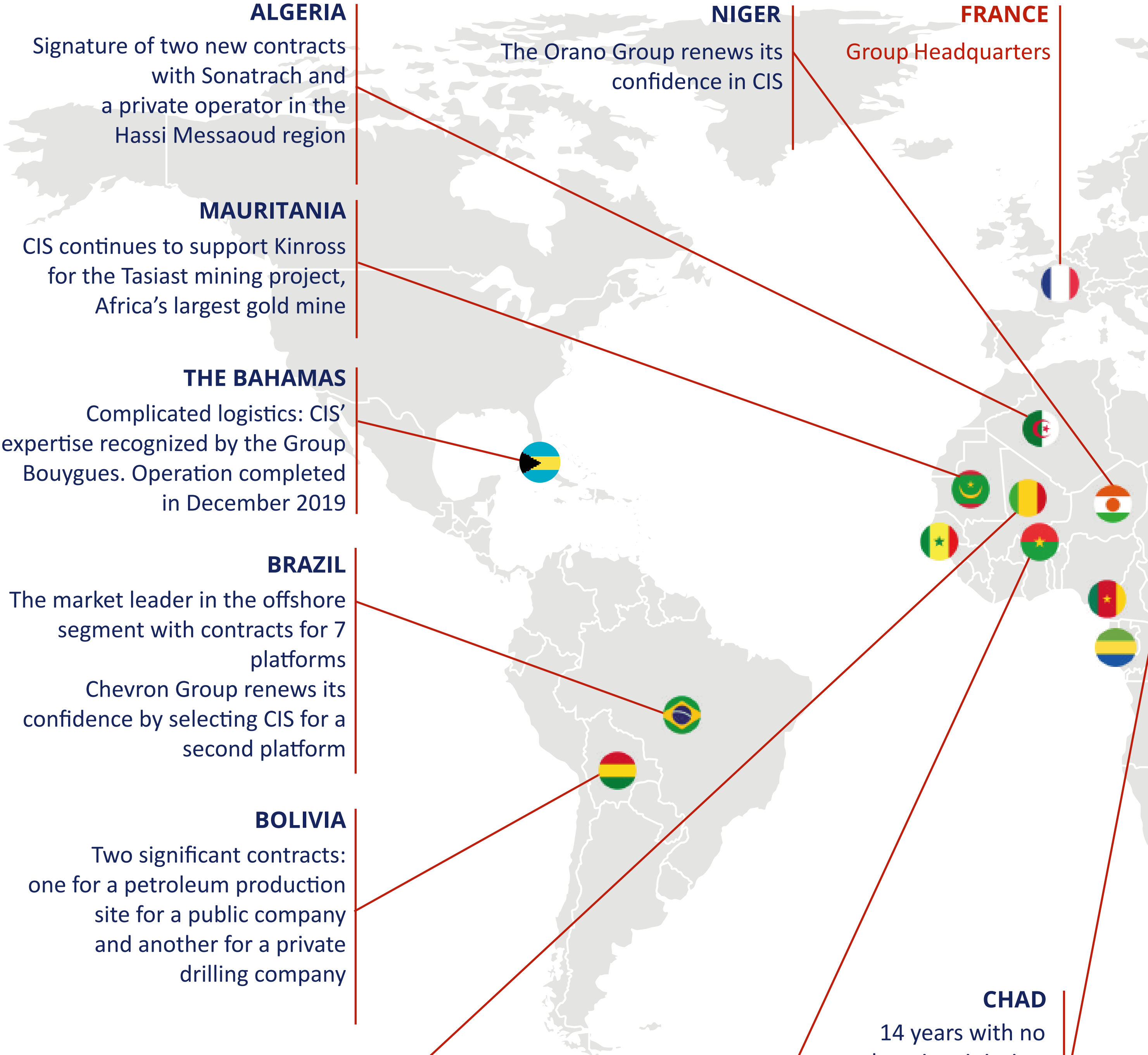
GABON

CIS provides offshore catering and accommodation services on two rigs for the oil and gas Group, PETROFOR and PERENCO.

CAMEROON

CIS was selected by the French construction and civil engineering consortium, in partnership with the Moroccan and Belgian companies operating in the same sector to provide services at the construction site of the largest hydroelectric dam in West Africa.
Referred to as the "Nachtigal" project, it is developed by NHPC, the concession holder, jointly owned by EDF, the Republic of Cameroon and IFC (International Finance Corporation).

AN EXPANDED GLOBAL REACH



ALGERIA
Signature of two new contracts with Sonatrach and a private operator in the Hassi Messaoud region

NIGER
The Orano Group renews its confidence in CIS

FRANCE
Group Headquarters

MAURITANIA
CIS continues to support Kinross for the Tasiast mining project, Africa's largest gold mine

THE BAHAMAS
Complicated logistics: CIS' expertise recognized by the Group Bouygues. Operation completed in December 2019

BRAZIL
The market leader in the offshore segment with contracts for 7 platforms
Chevron Group renews its confidence by selecting CIS for a second platform

BOLIVIA
Two significant contracts: one for a petroleum production site for a public company and another for a private drilling company

CHAD
14 years with no lost time injuries. Congratulated by its customer EEPCI (ExxonMobil) for its exceptional safety performances

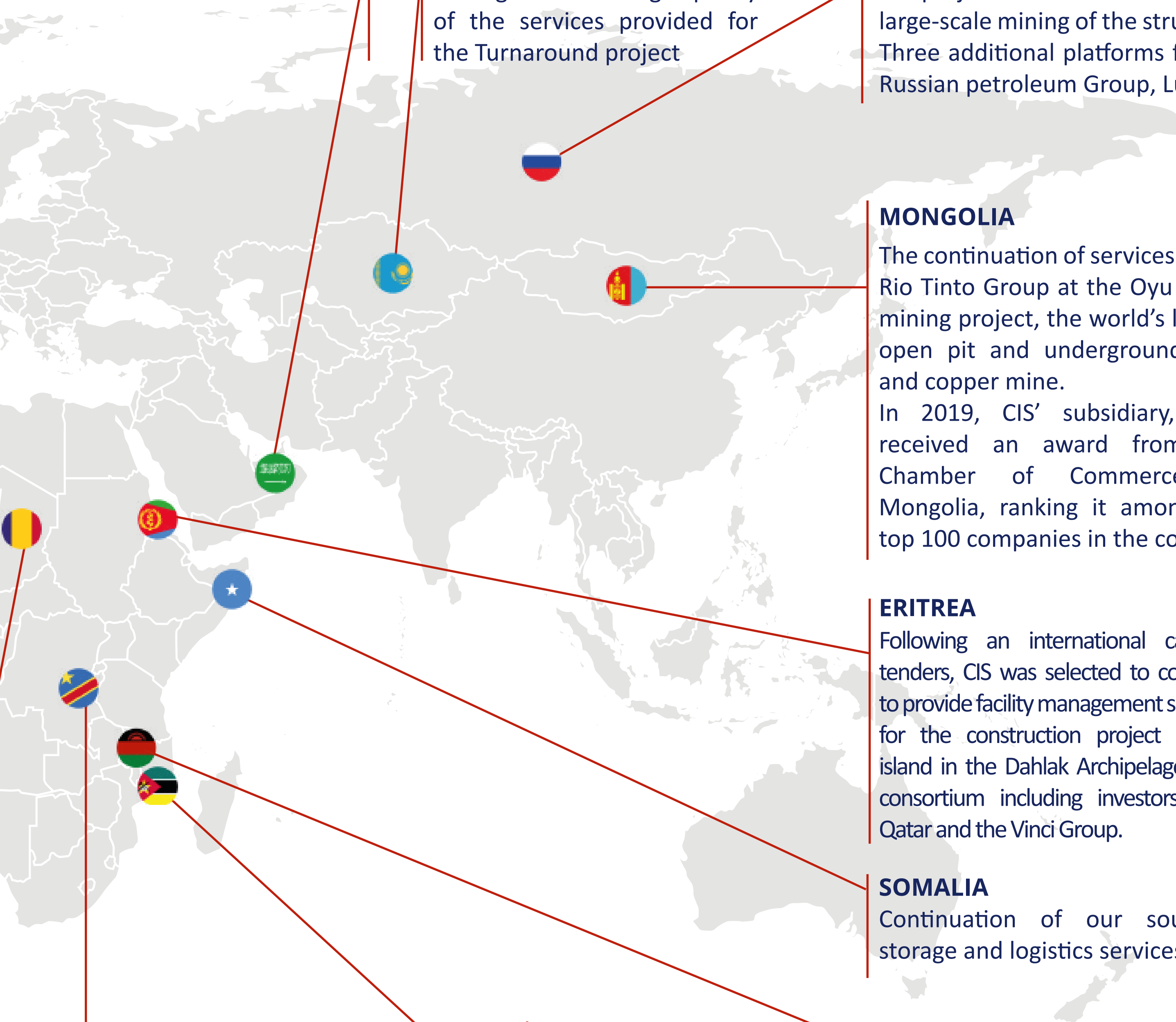
MALI
Success with another important Canadian gold producer

BURKINA FASO
The US embassy selects CIS to provide catering services


CIS in Russia


CIS in Mozambique


CIS in Brazil



SAUDI ARABIA

New commissary kitchen facilities to serve our customers in the Rahima and Jubail regions

KAZAKHSTAN

Developments with top-tier companies in the mining and petroleum sectors.
The NCOC petroleum Group awarded a prize to CIS Kashagan for the high quality of the services provided for the Turnaround project

RUSSIA

A major new multi-service contract with the Canadian-based mining company, Kinross Gold Corporation.
A new contract in connection with the project for the construction of large-scale mining of the structure.
Three additional platforms for the Russian petroleum Group, Lukoil

MONGOLIA

The continuation of services to the Rio Tinto Group at the Oyu Tolgoi mining project, the world's largest open pit and underground gold and copper mine.
In 2019, CIS' subsidiary, SSM received an award from the Chamber of Commerce of Mongolia, ranking it among the top 100 companies in the country.

ERITREA

Following an international call for tenders, CIS was selected to continue to provide facility management services for the construction project on an island in the Dahlak Archipelago for a consortium including investors from Qatar and the Vinci Group.

SOMALIA

Continuation of our sourcing, storage and logistics services

DRC

Signature of two new major contracts in the mining sector and the renewal of an historic offshore petroleum contract

MOZAMBIQUE

Rewarded by its customer CLN, a subsidiary of Vale, the Brazilian mining company, for its sustainable development performances: respecting the environment, waste reduction and composting techniques

MALAWI

Execution of a contract in connection with an operation to transport coal for CEAR (Central East Africa Railway Company), a subsidiary of the Brazilian mining company, Vale

CIS in Burkina Faso

RESPONSIBLE GROWTH

SAFETY FIRST!

CIS in Algeria

SAFETY FOR ALL: OUR PRIORITY

CIS takes specific measures on each site so that the safety of customers and employees is assured under the best possible conditions.
Every new CIS employee receives safety training and learns about the specific risks associated with his or her functions.
On every site, CIS verifies on a regular basis the proper execution of the instructions given to limit all risks affecting the safety of our employees with the constant goal of 0 accidents.

0 accidents in 2019
at the Group's 11 subsidiaries

0.3 TRIR in 2019
(total recordable incident rate)

0.2 LTIR in 2019
(lost time incident rate)

SAFETY AWARD

CIS Chad received the Safety Award from its client EEPCI (ExxonMobil) in recognition for its participation in the EEPCI Health and Safety programme.

QUALITY IN THE SERVICE OF EXCELLENCE

ENSURING THE QUALITY OF THE MEAL EXPERIENCE: OUR CONSTANT OBJECTIVE

89 %
of customers satisfied in 2019

CIS has implemented a program to measure the satisfaction of its customers by installing digital terminals at the entrance of the restaurants and by conducting regular surveys to measure its operating performance and identify areas for improvement.

A QUALITY CONTROL PROGRAMME: OUR OPERATIONAL EXCELLENCE

To ensure the highest level of service quality, for each project CIS implemented a quality programme and a QHSE control system meeting the international standards for quality, hygiene and food safety.

The QHSE conducts controls at every stage of the meal preparation (control of the quality of food supplies, hot and cold temperature controls and collecting samples for analysis).

8 subsidiaries certified **ISO 9001**
5 subsidiaries certified **ISO 14000**
5 subsidiaries certified **ISO 18000**
2 subsidiaries certified **ISO 22000**

DEVELOPING THE POTENTIAL OF TALENT

CIS' DNA is the passion for this atypical business, boldness and the enjoyment of a challenge, without which no success is possible.
The professionalism and expertise of our teams have established our position as a global leader in the management of remote sites in extreme environments.
The complimentary nature of the teams, their expertise and dedication as well as the diversity of our 12,500 employees, represent our most valuable asset.

TRAINING TO DEVELOP THE POTENTIAL AND PROMOTE THE FULFILLMENT OF OUR TEAMS

24 000
hours of training 2019

59%
of training provided in-house

At the Group and on each of our operating sites, CIS organises training programs adapted to each employee regardless of the rank of their position within the organisation chart.

In 2019, several of our African kitchen chefs participated in a qualifying programme at the Lycée Hôtelier, a hotel management school in Marseille.

CIS has created a Learning Management System platform to manage and organise online training programs and monitor the participants and the results, while at the same time managing and measuring the tool's effectiveness.
The aim of the LMA is to become a large training library by pooling resources made available by all Group personnel.

Our African kitchen chefs in training in Marseille

A COMPREHENSIVE HR POLICY SUPPORTED BY INTERCONNECTED PROCESSES

In order to contribute to the performance of our customers while at the same time promoting employee fulfilment, motivation and development, CIS has implemented a comprehensive HR policy.

This policy provides an efficient and individualised approach to every employee at every stage of his or her professional career within the company, by encouraging fulfilment, team engagement and career advancement.

Through the automation of these processes and the associated tools, the Group is now able to combine certain initiatives, and in particular, those relating to development, and in that way provides its employees with an increasingly qualitative, competitive and innovative offering of internal services.

TALENT ACQUISITION

In 2019, Group recruitment needs for key positions grew by

25 %

Priority given to internal recruitment:
In 2019, the number of strategic positions open filled internally was

25 %

INTEGRATION

A comprehensive integration programme and multi-support tools: digital versions of the welcome booklet, legal document pack.

A personalised integration process making it possible to acquire all general information about the Group, its ethics, values and objectives.

CAREER MANAGEMENT

A global programme of annual evaluations to identify training needs and career development and mobility objectives.

This process encourages internal recruitment and identifies needs in terms of skills.

VALUING DIVERSITY

Gender parity:
In Russia or in Kazakhstan,
women represent 80 %
of our workforce

A priority of using local employees
In Chad or Cameroon,
100 %
of our employees come from the villages located near our operating sites

PROMOTING LOCAL AND SUSTAINABLE DEVELOPMENT...

CIS Group adheres to the Global Goals of the United Nations for sustainable development. On that basis, its strategy is aligned with the universal principles relating to human rights, international labour and environmental standards and combating corruption.

A Brighter Future

CIS Group's sustainable development programme

All CIS' subsidiaries participate in initiatives designed to improve the daily life of the children and families belonging to their local communities.

98%
local employment

92%
local sourcing

22
local agricultural initiatives

... IN FAVOUR OF THE ENVIRONMENT

COMBATING FOOD WASTE

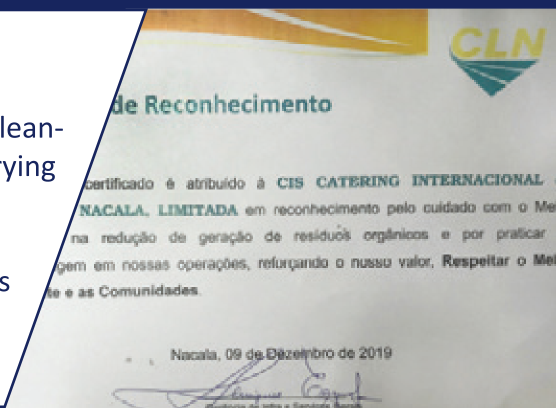
From the table to the farm: CIS has implemented a waste recycling policy. In this way, we produce our own compost with organic products originating from our production and service activities.

89 tonnes of compost have been used to fertilise the ground since this initiative was adopted.

LIMITING NON-FOOD WASTE

The Group's countries of operation participate in the largest clean-up event of our planet through "World Clean Up Day" by carrying out a general clean-up campaign on the sites.

In Mozambique, CIS received a prestigious award from its customer CLN, a subsidiary of the Brazilian Group, VALE, for its initiatives in the area of waste reduction and the use of plastic.



REDUCING OUR CARBON FOOTPRINT

The carbon footprint of CIS Group's activities is measurable by means of the carbon assessment for employee travel.
In 2019, the impact of our travel amounted to a CO_2 concentration of 1,449 tonnes.
We encourage our personnel to limit their travel to reduce our environmental footprint, notably by using videoconferencing communications to avoid unnecessary travel.

ALGERIA

Donation of school supply kits to a school in partnership with our customer, GRN, in the Reggane district of Adrar Province. Donation of beds to an orphanage in Hassi Messaoud.

FRANCE

Creation of the CIS Corporate Foundation in 2008

BURKINA FASO

Creation of a butcher shop in Boungou, a district near our site. Support of an orphanage in Ouagadougou since 2015

BRAZIL

Collection and use of 200,000 L of rainwater per month at the CIS base in Macaé

DRC

Support of an orphanage managed by the oil and gas company, Perenco

... IN FAVOR OF LOCAL COMMUNITIES AND AGRICULTURE

KAZAKHSTAN

Sponsorships of several not-for-profit organisations and support to orphanages

RUSSIA

Support of an orphanage in Khabarovsk, near its sites

MONGOLIA

Support to the Khanbogd Soum community, near its site: supplying meals, donation of school supplies to children, creation of toilets for children and aid to elderly persons

CHAD

Partnership with the "Grand Coeur" foundation created by the First Lady of Chad.

Completion of a social project per month designed to improve the living standards of local populations.

MOZAMBIQUE

MOZAMBIQUE FIRST by CIS

Creation by CIS of a "Mozambique First" programme in favour of local communities:

- 95% of fruit and vegetables are purchased locally
- 98% of employees are local
- Waste reduction
- Training of teams

CIS in Chad

FINANCIAL PERFORMANCES

CONSOLIDATED INFORMATION

2019 financial results

Growth in revenue

€265.7 million
in 2019

+ 18.5 %
in relation to 2018

Growth in net cash

€52.4 million
in 2019

+ 8.2 %
in relation to 2018

Growth in current operating income (EBIT)

€10.1 million
in 2019

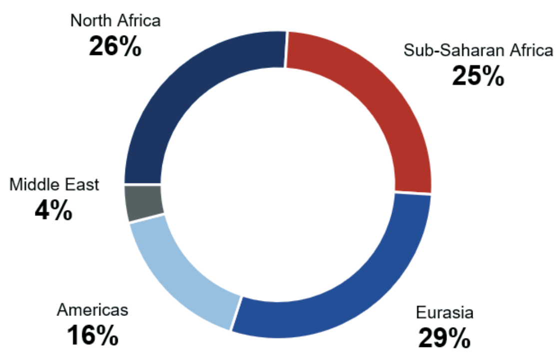
+ 1.3 %
in relation to 2018

Net profit attributable to shareholders of CIS

€5.4 million
in 2019

+ 9.8 %
in relation to 2018

Revenue by region



Share data

€13.30

share price up (as of 31/12/19)

+ 45.2 % for the year

Shareholder structure

*Linked by a shareholder's agreement

Yannick Morillon, Régis Arnoux, Julien Salas, Franck Briesach

CONTENTS

2019 financial report

Translation disclaimer: This document is a free translation of the French language version of the financial report for the twelve-month period ended December 31, 2019 produced for the convenience of English speaking readers. As such the English version of this document has not been audited by our Statutory Auditors and the English translations of their reports included herein are provided for information only. In the event of any ambiguity or conflict between corresponding statements or other items contained in these documents and the original French version, the relevant statement or item of the French version shall prevail and only the original version of the document in French is legally binding. As such, this translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and CIS SA expressly disclaims all liability for any inaccuracy herein.

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED DECEMBER 31, 2019

To the shareholders,

We have called this General Meeting as required by law and our articles of association, to:

- report on the Company's financial position, business developments and results of operations for the period from January 1, to December 31, 2019, as well as material post-closing events, foreseeable developments and future prospects,
- and submit for your approval the financial statements and the appropriation of profit for this financial year.

This report also includes the Group's management report pursuant to the provisions of Article L.233-26 of the French commercial code.

I. Financial position of CIS Group and its business for fiscal 2019

1. GROUP PROFILE

CIS, a global player

CIS, Catering International & Services, has been operating across the globe for nearly 28 years.

As a provider of integrated services, CIS has developed a complete range of services (catering, living accommodations, facility management and support services) to bring comfort and safety to residents, and contribute to the performance of our customers through the daily management of their sites.

CIS supports the major players in the hydrocarbon, mining, construction and defence sectors at every stage of their projects, either in urban, industrial, offshore and onshore most isolated environments.

Present in 20 countries with nearly 230 operating sites, CIS is one of the major global specialists in its area with a worldwide staff of more than 12,500 employees.

CIS is also actively engaged in promoting the socio-economic development of local populations in countries where it operates.

2. BUSINESS OVERVIEW

In 2019, the Group returned to growth by reaching sales of €265.7 million, up from €224.2 million in 2018, an increase of 18.5% on a reported basis.

This represented the Group's strongest performance in the last eight years.

Steady sales in the first quarter were thus followed by a robust uptrend (at CC) with growth of 15.7% in Q2 and 25.6% in Q3. This accelerating momentum continued into the last quarter with a particularly strong increase of 29.3% to reach €71.5 million.

This excellent performance was driven by the combined effect of the Group's commercial strategy, growing contributions from Eurasia and sub-Saharan Africa, the reinforcement of its market position in Brazil through the acquisitions of Alternativa and Beta in May 2019, increasing contributions from existing contracts and commercial successes which provided an additional €56.0 million in sales.

Sustained business momentum in the historical countries was bolstered by sales provided by operations opened in newly-entered markets (Cameroun, Senegal and Gabon).

The net margin was satisfactory even though impacted by the loss of an important contract in Algeria in July 2018 which in consequence did not contribute to earnings in 2019, an increase in investments indispensable for developing the Group's business, exceptional costs relating to the integration of Alternativa and Beta and costs linked to the start of new contracts and the Group's expansion into new regions.

Business developments and operating highlights

- On May 16, 2019, CIS' Board of Directors renewed the appointments of Mr. Régis Arnoux as Chairman of the Board of Directors and Chief Executive Officer for the duration of his term of office as director, or until the end of the ordinary general meeting called for the purpose of approving the financial statements for the period ending December 31, 2021.

- Mr. Yannick Morillon joined CIS Group as Deputy Chief Executive Officer on June 17, 2019. Yannick Morillon is a graduate of the School of Business and Management of Lille (*École de Gestion et de Commerce de Lille* or EGC-CEPRECO) and has also completed Executive Programs in Management and Leadership in the US at Stanford and Babson Mr. Yannick Morillon has spent virtually his entire career working in international markets and sensitive regions.

- An Innovation Committee was created to monitor changes in the needs of our markets, customers, residents and staff and explore opportunities for new solutions designed to meet these needs as a means of diversifying our service offering.

- The Group consolidated its market position in Brazil in May 2019 by acquiring 100% of the share capital and voting rights of Alternativa and Beta, specialised in providing services to the offshore market in Brazil. As a result CIS Group's market share in Brazil has increased to 20% compared to 15.6% in 2018, despite the nonrenewal of certain contracts with the oil and gas company, Petrobras.

- In 2019, CIS Chad celebrated its 14th year with no lost time injuries. For this performance representing more than 13 million hours worked CIS Chad was commended and awarded the Contractor Safety Award by its customer EEPCI (Chadian subsidiary of ExxonMobil, the world's leading oil Group) in the presence of Mr. Régis Arnoux.

- In addition, highlighting the continuing commercial momentum over 2019, the Group was awarded a number of calls for tender.

- The Group expanded its international reach by entering three new countries: Cameroun, Senegal and Gabon. The Group also finalised new alliances with top-tier strategic partners.

3. CIS SHARE PRICE PERFORMANCE

The CIS share ended the year at €13.30, up 45.2% from December 31, 2018 (€9.16).

4. OPERATING HIGHLIGHTS

Current operating income amounted to €10.1 million, up 3.8%.

Operating profit amounted to €10.0 million representing an operating margin of 3.8%, down 0.5 points from 2018.

For the full year, net profit attributable to shareholders rose 9.8%. to €5.4 million or 2.0% of sales.

The Group's shareholders' equity rose 3.6% to €61.5 million.

Bank borrowings amounted to €25.7 million (excluding the impact of IFRS 16), up €9.3 million and notably resulting from the acquisition of the Brazilian companies, Alternativa and Beta.

II. Presentation of financial statements

1. SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

Accounting policies and methods

No changes have been made in the methods used for the measurement of balance sheet items presented herein.

Income statement highlights

Figures are presented herein in thousands of euros, expressed as "K€" in the original French document (excluding tables) and rounded off accordingly to the nearest thousand (000s).

Revenue in 2019 rose nearly 44% or €10,434,000 from €23,844,000 in 2018 to €34,278,000.

After reversals of provisions and expense reclassifications amounting to €743,000 and other operating income of €202,000, total operating income came to €35,224,000, up from €24,544,000 in the prior year.

Total operating expenses rose 26% or €8,326,000 to €40,329,000, up from €32,003,000 in 2018.

Operating expenses included €252,000 for allowances for amortisation and depreciation and €2,087,000 for contingency provisions compared with €324,000 and €745,000 respectively in 2018.

These expenses also included allowances for the depreciation of current assets of €1,163,000, up from €936,000 in 2018.

On that basis, the operating loss amounted to €5,105,000 compared to a loss of €7,459,000 in 2018. After adjusting for financial income of €10,944,000 and financial expenses of €1,300,000, current operating income before tax amounted to €4,539,000.

After exceptional income of €13,000, exceptional expenses of €996,000 and income tax for the period of €553,000, net profit for the period amounted to €3,004,000 compared to a net loss of €660,000 in 2018.

Balance sheet highlights

Figures are presented herein in thousands of euros, and (excluding tables) rounded off accordingly to the nearest thousand (000s).

Non-current assets totalled €16,251,000 including financial assets of €15,465,000.

Current assets amounted to €52,527,000 including cash and cash equivalents of €6,559,000 compared with respectively €44,358,000 and €2,648,000 in 2018.

Provisions for contingencies and expenses amounted to €4,064,000, compared with €2,326,000 for the prior year.

Current liabilities amounted to €37,229,000, up from €28,006,000 in 2018.

At December 31, 2019, shareholders' equity before the distribution of dividends amounted to €27,848,000 compared with €25,809,000 at the end of 2018.

2. CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Accounting policies and methods

No changes have been made in the methods used for the measurement of balance sheet items presented herein.

However, it should be noted that the main impacts resulting from the application of IFRS 16 "Leases" as from 01/01/2019 are presented in the notes to the consolidated financial statements.

Companies consolidated by the Group include all those exclusively controlled by CIS, conducting all their business operations outside of France and listed in the document provided to you.

The financial statements for fiscal 2019 have been prepared in accordance with IFRS (International Financial Reporting Standards).

Income statement highlights

Figures are presented herein in thousands of euros, expressed as "K€" in the original French document (excluding tables) and rounded off accordingly to the nearest thousand (000s).

Annual revenue amounted to €265,725,000, up from €224,162,000 in 2018 or an increase of €41,563,000.

The net amount for allowances and reversals of depreciation, amortisation and provisions amounted to €6,221,000 (of which €4,129,000 corresponding to allowances for amortisation under IFRS 16).

Operating profit amounted to €9,979,000, up from €9,633,000 in 2018.

Net financial income in the period amounted to €178,000 (which included €408,000 in IFRS 16 lease liabilities) up from €410,000 in 2018.

Profit before tax came to €10,157,000, down from €10,043,000 last year.

Net consolidated profit amounted to €6,155,000 compared with €5,525,000 in 2018.

On that basis, net profit attributable to CIS as the consolidating company amounted to €5,364,000, compared with €4,887,000 in 2018.

Balance sheet highlights

Figures are presented herein in thousands of euros, and (excluding tables) rounded off accordingly to the nearest thousand (000s).

Non-current assets amounted to €33,105,000 (including IFRS 16 net right-of-use assets of €8,923,000) compared with €15,397,000 in 2018.

Current assets amounted to €144,871,000 compared with €113,518,000 in 2018.

Non-current liabilities amounted to €24,373,000 (including €5,438,000 in IFRS 16 lease liabilities and €967,000 in long-term provisions) compared with €12,746,000 in 2018.

Non-current liabilities came to €92,065,000 (including €3,638,000 in IFRS 16 lease liabilities) compared with €56,789,000 in 2018.

At December 31, 2019, shareholders' equity before the distribution of dividends amounted to €61,538,000 compared with €59,380,000 at the end of 2018.

Equity attributable to non-controlling interests amounted to €2,256,000 compared with €3,002,000 in 2018.

Headcount data

The average number of employees was 11,757 in 2019 compared with 10,486 in 2018.

III. Material post-closing events

On February 24, 2020, CIS activated its crisis unit to monitor the development of Covid-19 in all its countries of operation and to define policies for information, prevention and protection within the Group.

The Group's top priority is ensuring the safety of its employees in France and in other countries. To that purpose, the Group has taken all measures necessary to protect all its teams while at the same time ensuring the continuity of its operations, notably by adopting telework arrangements for all headquarters staff. At its operating sites, the Group intends to maintain the services to its customers in strict compliance with health and safety regulations.

Even though the business momentum for the first few months of 2020 was positive with a very limited impact from Covid-19, it nevertheless remains difficult to measure the effects of the epidemic on the Group's business. This is because the virus's spread, protection measures and the conditions for maintaining business operations vary according to the country and customers, making it impossible to measure the consequences at the current time on its teams and operations.

Despite this, CIS' commercial momentum remains on track as it continues to pursue ongoing opportunities for business development.

As a consequence of the Covid-19 crisis and geopolitical tensions, oil prices fell below US$20 per barrel for the first time since 2002, dropping more than 50% in the last few months.

The Covid-19 health crisis, combined with the fall in oil prices, has led to the reduction and, in certain cases, the shutdown of certain oil projects around the world. The major global oil groups have been forced to delay the final investment decisions and postpone a number of projects. According to the International Energy Agency (IEA), global oil demand could drop as much as 20% as 3 billion people are currently in lockdown around the world.

As for CIS, we have noted a reduction in the workforces of some of our customers in addition to lockdown measures at a few sites in certain countries of operation. To further limit the impacts of Covid-19, we have responded by strengthening and completing measures already implemented over the last few weeks, by adopting drastic and large-scale cost-reduction and savings plans at the head office at all our subsidiaries.

Régis Arnoux, as Chairman of the Board of Directors, and the Group's majority shareholder, decided not to proceed with the distribution of a dividend for 2019.
Finally, in light of the current Covid-19 epidemic and measures adopted to combat its spread, the conditions and procedures for participating in the General Meeting provided for by law and by the Company may be modified. On that basis, in compliance with the provisions of article 4 of Order No. 2020-321 of March 25, 2020 implementing the French government

emergency law 2020-290 of March 23, 2020 to deal with the Covid-19 epidemic, the Board of Directors may decide that the Combined General Meeting of June 16, 2020 be held in closed session, i.e. without the physical presence of shareholders and other persons entitled to attend.

IV. Business trends and outlook

1. THE GLOBAL ECONOMIC SITUATION

The spread of the Covid-19 with the emergence of clusters of contagion in numerous countries triggered the sharpest decline in markets since the financial crisis of 2008.

The fear of the shutdown of the global economy, accompanied by a drop in oil prices precipitated by price wars between Saudi Arabia and Russia have also led to wide scale pullbacks from markets.

The impact on the oil production sector which represents a significant share of CIS's customer base has at this stage been limited.

In contrast, these developments have precipitated a retreat to safe haven assets and a surge in gold prices which fully benefited CIS' mining customers.

2. STRATEGY AND OUTLOOK

The Group's strategy is focused on the following priorities:

a. Achieving organic growth by:
- Accelerating business momentum,
- Focusing on large projects,
- Developing positions in markets with strong growth potential,
- Expanding into new countries,
- Diversifying of our services with our SystemOne digital offering,
- Developing alliances with top-tier partners.

b. External growth:
- In high value-added niches,
- A new geographic markets,
- Opportunities in the remote site sector.

c. Improving operational performance by:
- Gradually deploring the ARISE performance plan across all Group subsidiaries,
- Continuing to improve our key performance indicators,
- Improving the competitiveness of our commercial offerings.

CIS has developed a range of integrated solutions and digital applications named SystemOne to diversify our services and improve the competitiveness for us and our customers.

V. Subsidiaries and associates

The list of subsidiaries and Associates is provided in the notes to the parent company financial statements "List of subsidiaries" and the consolidated financial statements "23. Consolidated companies".

VI. Risk factors and risk management procedures

1. DEFINITION OF RISK FACTORS

The CIS Group's risk management policy is designed to ensure an optimal protection of the interests of its shareholders, customers, employees and its environment, based on the principles described below.

In compliance with regulatory obligations, the Group conducted a review of risks which could have a material adverse effect on its business, financial position or earnings.

On that basis, it considers that there do not exist to the best of its knowledge other specific and material risks identified other than those presented below.

BUSINESS RISKS

Market risks
CIS' different business activities are subject to significant international competition.

The Group's position in these markets is directly dependent on the quality of services it proposes, its competitiveness and the long-lasting relations of confidence it has developed with key customers/ decision-makers.

INTERNATIONAL OPERATING RISKS

Foreign exchange risks

Because all the company's revenue is generated by international operations, it is subject to risks related to foreign exchange fluctuations, notably of the US dollar.
Procedures have been implemented accordingly to reduce the most likely exposures, mainly associated with cash flows in foreign currency generated by business operations.
In order to limit the foreign exchange risks, the expenses and income are generally denominated in the currency of the country of operation, thus maintaining a certain balance.

Country operation risks

The Group currently monitors exposures to country operation risks and their geopolitical situation.
There have been no significant incidents in recent years of payment default, including in countries identified at risk.

Risks related to the Coronavirus epidemic

In addition to the human consequences of the Coronavirus epidemic, it has also led to the closure of certain operating regions in the world and a global slowdown in worldwide growth.
Because all of the Group's revenue is derived from international markets, it may be impacted by the adverse consequences of the epidemic on the global economy.
To date, it is not possible to accurately assess the future impact of this epidemic on the Group's business, performance and outlook.
Nevertheless, the scope of our geographical positioning, the broad range of our main customers business activities as well as the their considerable financial solidity and the expansion of our services based on an offering of innovative solutions constitute significant strengths for the Group.
In line with the recommendations of the French financial market authority, the AMF (*Autorité des Marchés Financiers*), the Group will assess on a regular basis the known or expected impacts of the epidemic on its activities and prospects.
And to further protect all its employees with respect to this epidemic, the Group will also further strengthen the health and safety rules already being applied in the field.

EMPLOYEE-RELATED RISKS

Reflecting the specific nature of the Group's business, the role, professionalism and commitment of employees are decisive.
To foster personnel retention and increase the level of expertise and service provided to customers, the Group has developed a strong corporate culture and implemented a system of employee management and motivation based on a combination of tools such as continuing education, profit sharing and variable performance-linked compensation.
On that basis, the employee turnover and absenteeism rates of the Group are very low.

FINANCIAL RISKS

Customer risks

Most customers represent top-tier investment-grade worldwide companies in their respective area. In consequence, customer payment default and credit risks which are monitored on an ongoing basis remain limited.
In addition, the status of trade receivables is monitored on a daily basis.

Risks related to financial commitments

In light of low gross debt-to-equity ratio (excluding IFRS 16) of 41.8% and a net cash position representing 29.4% of total assets, the risk of the Group being unable to honour its financial commitments remains extremely low.

Liquidity risks

As explained above, as the Group maintains a solid cash position at all times, no genuine liquidity risks are considered to exist and on that basis considers that it is able to honour its future payment obligations.
In light of the current development of the Coronavirus epidemic and the potential risks on the Group's situation, CIS does not exclude the possibility of recourse to the State-guaranteed loan scheme (*Prêt Garanti par l'État,* PGE).

Equity risks

Treasury shares are held exclusively in connection with the liquidity agreement and a share buyback agreement managed by a brokerage firm.
They are recognised in the consolidated financial statements as a charge under equity. The portfolio of marketable securities consists exclusively of money market funds (OEICs) without an equity component.

Internal control risks

Internal control procedures applied to all the Group's companies and in all areas considered as subject to financial risks, are organised to minimise the occurrence of such risks (internal and external audits carried out throughout the year).

Computer error or data loss risks

Measures taken to reinforce the Group's information system allow for information to be transmitted and verified in real time, reducing ipso facto the risks of data loss and errors associated with multiple data entries.
Moreover, the risk of data loss is also limited by the application of strict backup procedures.
Lastly, the information system is equipped with all protection measures available today (inverters, anti-virus, firewall) to reduce the risks of power outage, breakdown, virus attacks or data theft.

Legal risks

Risks related to the regulatory developments

Regulations that apply to the Group businesses vary according to the country in which the Group operates. In this case, the Group may be led to refer to local consultants to clarify, if required, certain obligations.

Litigation

CNAS paid dividends to CIS SA in 2007, 2008 and 2009. The Bank of Algeria, considering that these transfers of funds were made in violation of laws and regulations governing foreign exchange and the movement of capital, initiated legal proceedings against the bank that executed these transfers and CNAS respectively.

On November 9, 2016 the Court of Appeals of Algiers nevertheless rendered a definitive ruling dismissing this case, following its referral by the Algerian Supreme Court.

On that basis, CNAS thereupon requested the Bank of Algeria to lift the restriction on the international transfer of the funds. This was request executed by a letter dated February 15, 2017.

On February 1, 2017, the General Meeting of CNAS voted to distribute a dividend of DZD 4 billion and requested its bank to transfer the funds accordingly to CIS SA. The bank initiated the transfer and CNAS paid the corresponding withholding tax to the Algerian tax authorities.

Despite the definitive ruling by the Algerian Supreme Court, the country's highest jurisdiction, the Bank of Algeria blocked the request to transfer the dividends by a decision dated May 7, 2017, in contradiction of the terms of its own letter of February 15, 2017.

CNAS thereupon referred the matter to the Council of State to obtain the annulment of the decision of the Bank of Algeria and the authorisation to transfer the dividends, in accordance with the ruling of the Court of Appeals of Algiers in November 2016. By its decision of November 14, 2019, without ruling on the merits, the Council of State dismissed the petitions of CNAS, considering the appeal as time-barred on the grounds that it was introduced after the legal deadlines.

These difficulties have delayed for several years the transfer of dividends from CNAS to CIS SA.

CIS SA considers that all of these obstacles created by the Bank of Algeria constitute a violation of its rights as a foreign investor and that this decision violates the provisions of the bilateral treaty signed on February 13, 1993 between France and Algeria, “Agreement on the Promotion and Reciprocal Protection of Investments”.

In addition, it should be noted that the decision to distribute the dividends of February 1, 2017 remains valid even if the transfer of funds was not made within the period of nine months from the closing date of the accounts as provided for by article 724 of the Algerian commercial code. This is because only the decision of the Bank of Algeria to prohibit the transfer of the funds to CIS SA has prevented the compliance with the rules in force, whereas the transfer order was properly issued within the legal timeframe.

The boards of CIS SA and CIS SA would prefer the option of reaching an amicable settlement.

Otherwise, the Company had no knowledge at the end of the reporting period of any other legal or arbitration proceedings that may have a material impact on the Group's business, assets and liabilities, financial position or earnings.

Ethical and non-compliance risks
In light of the activities of CIS Group, its international dimension and the cultural diversity that it represents, we are committed to promoting among all staff throughout the world, regardless of the functions they exercise and their origins, a common definition of our values, conditions and ethics.

It is in effect essential that individually and collectively everyone applies and shares the same values of transparency, integrity and honesty throughout Group. Respecting moral, professional and ethical rules of conduct is essential for ensuring a climate of social harmony and mutual respect for all staff and strengthen the confidence of third parties, notably our customers, suppliers and partners, shareholders and all persons who participate in our committees and our development.

With this objective, the Group introduced an anticorruption programme, distributing beginning in 2004 an Ethical Charter defining a set of common rules to be adopted by all. Taking this approach a step further and in compliance with the French Law 2016-1691 of December 9, 2016 on transparency, the fight against corruption and modernisation of the economy (the "Sapin II" law), in 2017 the Group adopted the "Middlenext Anti-Corruption Code of Conduct", the result of concerted effort by a group of companies – of which CIS – committed to promoting ethics in business.

It is of course not possible to cover exhaustively all the situations which might arise. However, the principles addressed in the Middlenext Anti-Corruption Code of Conduct and the Ethical Charter provide a base of reference for the approach to be adopted.

In addition, in its day-to-day operations, CIS Group respects and complies with the following:
- The principles of the UN Global Compact;
- The principles of the Universal Declaration of Human Rights of 1948;
- The principles of the International Labour Organisation;
- The OECD guidelines.

Finally, CIS has distributed an internal whistleblowing procedure to all staff. All these documents dealing with Ethics are available at CIS' website (https://www.cis-integratedservices.com/fr/ethique)

To identify risks and prevent serious violations of human rights and fundamental liberties, human health and the environment resulting from the activities of the Group, subcontractors or suppliers with whom CIS maintains an established business relationship, the Group adopted a Vigilance Plan as detailed in paragraph VII of this management report.

2. RISK MANAGEMENT

In 2019, issues addressed by the Group included notably the following:

- Updating the Group risk mapping and monitoring risk mitigation and prevention measures and actions;
- Drafting and monitoring the internal audit control plan for 2019;
- Monitoring the "Corporate Social Responsibility" (CSR) system;
- Monitoring the anti-corruption system within the Group;
- Monitoring the Group's personal data protection system;
- Monitoring the vigilance plan as described in section VII of this management report.

In addition, starting in 2013, a Group "crisis management" procedure has been in place providing for measures designed to address every type of situation. With that objective we:

- We drafted procedures and summarised guidelines destined to strengthen our crisis management capabilities in the face of any non-conventional incidents;
- Developed an on-call unit designed to facilitate rapid assessments of potential crises and to intervene as early as possible based on a structured crisis management approach;

- Developed a methodology for “crisis management and emergency response plans” destined for first-line responders responsible for managing from the start a crisis involving the safety of CIS personnel abroad.

These measures may be supplemented by specific audits assigned to specialised companies according to sensitive environments where CIS may be required to intervene.

CIS has also adopted an internal whistleblowing system for all staff of the Group, providing for alerts for three types of situations: (i) crisis situations (ii) health, safety and environmental situations and (iii) ethical situations.

Our Company has developed internal control procedures to ensure rigorous financial management, risk management and prepare information to be provided to shareholders on its financial position and the financial statements.

3. OBJECTIVES OF INTERNAL CONTROL

The objective of the CIS internal control procedures is to prevent risks resulting from the Group’s business and ensure that all operations are conducted in compliance with the company’s procedures as well as applicable laws and regulations.

These procedures are primarily destined to ensure the reliability and fair presentation of financial and accounting information communicated by the company.

These procedures take into account the specific nature of the Company’s business that is exercised exclusively in international markets through subsidiaries and branch offices.

4. ORGANISATION AND IMPLEMENTATION OF INTERNAL CONTROL PROCEDURES

CIS has adopted three organisational priorities for internal control:

Internal control manager

Since 2013, the internal control department has reported directly to Executive Management with the following missions:

- Auditing the quality of internal control procedures already implemented by all Group entities;
- Improving risk management;
- Identifying new areas of risks to which our business is exposed and implementing appropriate procedures to address these risks.

Internal control functions for business operation

- Internal control is also assured by the Deputy CFO who performs on-site missions in the operating countries and who is tasked with conducting all investigations considered necessary to verify the efficacy of accounting and financial processes in each subsidiary, compliance with established rules (banking and legal authorities, obligations, account and cash flow management, etc.) and identify incidents of potential fraud.
- The Management Control Department’s primary missions are to monitor and analyse key management indicators, improve controls and profitability and ensure the security of operations.
- Furthermore, Country Managers and Regional Managers are responsible for management issues relating to subsidiaries and entities under their authority. To this purpose, they conduct a certain number of verifications both with a purely management focus in relation to quality and profitability objectives and to identify potential deficiencies.
- It should also be known that Statutory Auditors exist for each Group subsidiary in connection with the consolidation process responsible for certifying the accounts and identifying, as required, all risks of accounting irregularities and information relating to the going concern of these subsidiaries.

Quality approach

CIS has implemented a quality management system (QMS) to meet the objectives set by the company’s quality policy and the requirements of the ISO 9001-V2015 standard for which the Marseilles headquarters obtained their first certification in February 2004 (catering engineering, food and living accommodation services in extreme conditions and in emerging countries, managed from the head office).

A quality department was created to monitor and update the quality system. To this purpose, internal audits are carried out on a regular basis to ensure that the provisions adopted by the quality management system are in compliance with the standard, applied and effective.

The suitability and effectiveness of the quality management system is assessed on a regular basis through process or management reviews by the different parties concerned.

Regardless of the type of review (process or management), the methods are similar and only their scope is different:

- The process review applies to a single process,
- The management process focuses on a set of processes with a summarised approach.

The frequency of these reviews is adapted to the results of prior reviews and the availability of all participating parties, with the planning schedule updated by the Quality Manager.

All actions are planned and monitored jointly by the Quality Manager and the relevant concerned parties.

It should also be noted that the Audit and Risk Committee regularly receives input from the Quality Manager and the Internal Control Manager.

5. PRINCIPLES OF BUSINESS CONDUCT AND BEHAVIOUR

100% of the activity of CIS Group is derived from outside France and the teams are geographically near their customers in the operating regions in order to provide them with solutions adapted to their needs within tight time frames.

On that basis, the Group has implemented delegations of powers and responsibilities for Country Managers, Operational Managers and functional managers at different Group levels.

These delegations of powers are exercised within the framework of general guidelines and in compliance with CIS Group's principles of conduct and behaviour:

- respecting common Group rules in terms of engagement, risk-taking, new business and reporting financial, accounting and management information;
- transparency and fairness of staff vis-à-vis their line management and the headquarters support functions;
- respecting the laws and regulations in force in the countries where the Group operates;
- seeking to achieve financial performance.

6. PREPARATION AND VERIFICATION OF ACCOUNTING AND FINANCIAL INFORMATION

The finance department, operating under the authority and oversight of Executive Management, is responsible for all accounting functions.

In performing this role, it collects all accounting and financial information transmitted by subsidiaries, after successive controls were performed by the relevant subsidiary and regional managers, with the intervention of their own departments as well as the auditors of the subsidiaries.

The Finance Department consequently exercises a role of oversight with respect to the relevant standards and laws (in particular relating to legal compliance and tax matters).

The Finance Department also is responsible for ensuring the consistency of all financial information and the production of financial statements. To this purpose, it ensures in particular the quality of the translation of the financial statements of foreign subsidiaries.

The Finance Department is responsible for supervising cash management operations and ensuring the conformity and validity of the translation of transactions in foreign currencies.

Preparation of consolidated financial statements

In compliance with EC regulation 1606/2002 on the application of international accounting standards, the Group's consolidated financial statements of December 31, 2019 were prepared in accordance with the international financial reporting standards (IFRS) in issue on that date.

The consolidation process is carried out under the supervision of the Chief Financial Officer. All relevant items are then audited by the Statutory Auditors before the financial statements are published.

7. INSURANCE COVERAGE

The Group has insurance coverage for all its businesses in accordance with the normal terms and guarantees for its sectors of intervention.

The Group has two global insurance programmes covering the different risks identified with respect to its business operations.

When necessary and possible, additional coverage is obtained either for the purpose of complying with applicable laws or to cover specific risks resulting from a particular activity or circumstances.

Insurance policies are coordinated and implemented by a specialised broker with coverage assured through a number of European and international financially sound and reputable insurance carriers.

In 2019, our insurance policies were renegotiated in take into account changes in the Group's risk exposure: the main insurance policies were subject to a consultation resulting in a significant improvement in the level of coverage provided.

In particular, the Group obtained policies covering its civil liability and directors and officers liability, environmental damage caused by its activities, the transportation of goods, the Group assets and insurance coverage for its employees.

8. PREVENTING CORRUPTION AND FRAUD

The Code of Conduct and Business ethics Charter updated at the end of 2017 defines the rules of conduct for all Group employees but also those companies with which CIS works.

In compliance with the French Law 2016-1691 of December 9, 2016 on transparency, the fight against corruption and modernisation of the economy (the "Sapin II" law), in 2017 the Group adopted the "Middlenext Anti-Corruption Code of Conduct", the result of concerted efforts by a group of companies – of which CIS – committed to promoting ethics in business.

Since 2016, the Group has also carried out awareness-raising and training initiatives for all its personnel in Ethics and Compliance which includes an anti-corruption module. Each Country Manager educated and trained in these areas must in turn transmit these approaches within their respective organisations.

The application of these measures is actively monitored in each subsidiary by the Internal Control department, mainly through internal audits starting.

An action plan is updated and reports are provided to the Executive Management and the Audit and Risk Committee of the Group on a regular basis.

Every new employee is given a Welcome Booklet when they join CIS. This includes notably the Code of Conduct and Business Ethics Charter and the Gifts policy. Employment contracts and the CIS rules of procedure have also been modified to promote employee accountability in ensuring strict compliance in these areas.

VII. Employment, environmental and social information

All employment, environmental and social information is presented in the Statement On Non-Financial Performance included with this annual report, with the exception of the vigilance plan described above.

Since 2017, the Group adopted a vigilance plan with the aim of identifying risks and preventing serious violations of human rights and fundamental liberties, human health and the environment resulting from the activities of CIS and its subsidiaries, subcontractors and suppliers with whom it maintains an established business relationship. These initiatives fall under the scope of the new French law imposing a corporate duty of vigilance on parent companies and instructing companies.

The vigilance plan describes below applies to all Group subsidiaries and is organised as follows:

1. ASSOCIATED RISKS

To fine-tune the main environmental and social risks associated with CIS' corporate duty of vigilance, a map has been developed covering all Group activities based on the Group's map of global risks.

The main risks identified are as follows:

- **Risks related to the safety of individuals**
  The Group intervenes in certain regions of the world that are potentially unstable. In a global environment marked by the threat of terrorism, we have identified high risk of terrorist attacks, kidnapping, rebellion, war or invasion, notably in the Middle East and sub-Saharan Africa.

- **Risks related to the health of individuals**
  CIS operates in remote regions where access to healthcare services is limited: in cases of medical emergencies, the health of individuals may thus be

compromised. In addition, CIS employees are also subject to conventional health risks when they travel in foreign countries. In addition, as in all sectors of activity, CIS identifies psychosocial risks which could impact its staff, such as stress-related illnesses and burnout syndrome.

Risks related to the safety of individuals

The range of integrated services operated by the Group is very large and can result in different types of risks related to the safety of individuals. These risks are managed through the Group's Integrated Management Excellence System (IEMS). These risk concern both administrative tasks, transportation, storage, food preparation and production, the cleaning of food areas, meals facilities, catering, laundry, room and office cleaning services, gardening, maintenance, electrical work, work at heights, mechanical maintenance, etc.

The Group intervenes in regions that are difficult to access where the roads lack maintenance, are often in poor condition and sometimes impassable. For that reason, we have noted the existence of an important risk of road accidents (risk of injury and/or death) when employees travel by car in dangerous regions.

2. REGULAR EVALUATIONS OF SUBSIDIARIES, SUBCONTRACTORS AND SUPPLIERS

Every subsidiary produces a report that includes key performance indicators in the areas of health, safety and the environment. The Group has established a standardised version of this report for evaluating performances in the areas of health, safety and the environment and increasing the reliability of the data provided.

In addition, CIS has implemented in its purchasing process a standardised system for evaluating subcontractors and suppliers that would apply to all Group subsidiaries. The integration of this evaluation system in the audit programme and health, safety and environmental inspection is planned in the future.

3. MEASURES FOR REDUCING RISKS OR PREVENTING SERIOUS INCIDENTS

Ensuring the safety and health of people is a core Group value as exemplified by its continuing focus on achieving a "zero incident" performance as an absolute priority. For that reason, to reduce these risks to a minimum, the Group has adopted a number of measures:

Measures for reducing individual security risks

A risk prevention and awareness-raising procedure is adopted when a Group employee is required to work or travel in potentially unstable regions. For that reason, prior to their departure, employees are kept informed of the hazards of the country and the risks incurred. At the same time, targeted and specific recommendations are given to such employees to reduce their risk exposure.

CIS has implemented a system for locating its employees in potentially dangerous regions. Accordingly, each employee residing in or traveling to an at-risk country is equipped with a GPS tracker with an integrated warning system. In the case of an emergency, the employee can trigger the warning system (which is directly linked to a specialised risk management company) and report a problem.

Measures for reducing individual health risks

The Group has implemented a system for medical repatriation for emergency medical evacuations for employees.

Risk prevention and awareness-raising procedures are implemented for staff to prevent existing illnesses and health risks in the countries in which they operate. Most Group customers require our employees to adhere to strict health regulations (vaccinations, medication intake, etc.).

In 2019, the Group adopted policies for health and well-being, combating psychoactive substance abuse and food supply safety. These policies are deployed across all the Group's organisations.

Measures for reducing individual safety risks
Every Group subsidiary has implemented a road safety prevention campaign to raise employee awareness in this area.

In addition and when permitted by law, CIS may request that an employee be tested for the presence of alcohol or drugs. Such controls are frequently carried out at the operating sites by Group customers.

Occupational health and safety and road safety policies were deployed in 2019 within all the Group's organisations.

4. SYSTEM FOR WHISTLEBLOWING AND COLLECTING REPORTS

The Group implemented a whistleblowing tool which allows employees to (i) report any deviations in the areas of accounting, finance, preventing corruption and competition, (ii) report acts of discrimination, harassment and serious cases of noncompliance with health and security regulations which would put the physical or mental health of employees at risk and might seriously harm the Group's activity or result in its liability.

The same whistleblowing tool was extended to the global vigilance plan.

On that basis, CIS' whistleblowing system covers three types of alerts: (i) crisis situations (ii) health, safety and environmental situations and (iii) ethical situations.

5. MONITORING SYSTEM

The Group implemented a health, safety and environment audit and inspection programme. The goal is to audit every subsidiary at least once every two (2) years.

VIII. Share capital information

In accordance with the provisions of article L.233-13 of the French commercial code ("*Code de commerce*") and taking into account disclosures and notifications received pursuant to articles L.233-7 and L.233-12 of said code, information on the identity of the majority shareholders is presented below.

At March 31, 2020, the share capital was comprised of 8.041.040 shares representing a total of 10.882.945 voting rights, all exercisable. The free float also remained stable.

Shareholder	Number of shares		Voting rights	
Finra (R. Arnoux, Chairman & majority shareholder)	3,776 353	47.0%	5,063 603	46.5%
Ms. Solange Aloyan	587,244	7.3%	1,174,488	10.8%
Other registered shareholders	1,153 450	14.3%	2,282 348	21.0%
Shares held in treasury* and the liquidity account	220,557	2.7%	59,070	0.5%
Free float (bearer shares)	2,303 436	28.7%	2,303 436	21.2%
TOTAL	**8,041 040**	**100.0%**	**10,882 945**	**100.0%**

** Shares without voting rights: % in share capital and theoretical voting rights. All other % above refer to capital and actual voting rights*

To the best of CIS' knowledge, incidents involving crossing above or below the statutory 5% ownership threshold were properly reported.

To the best of CIS' knowledge, there are no other shareholders holding directly or indirectly , alone or in concert more than 5% of the capital or voting rights.

During fiscal 2019, and up to the date of this report, the following transactions involving the Company's share by directors and officers were reported:

(In number of shares)	Period	Acquisitions	Disposals
La Masia Financière, Deputy CEO	02/2019	8.874	

IX. Statutory aged trial balance information for trade payables and receivables

In accordance with the provisions of article L 441-6-1 paragraph 1 of the French commercial code (based on the Economic Modernisation Act of August 4, 2008), statutory information on payment periods of CIS SA is provided below:

Invoices received and issued not settled at the end of the reporting period past due

	Article D.441 I-1: Invoices received not settled at the end of the reporting period past due						Article D.441 I-2: Invoices issued and not settled at the end of the reporting period past due					
	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day or more)
(A) Date ranges of late payment												
Number of invoices concerned	190	-	-	-	-	133	19	-	-	-	-	172
Amount of invoices concerned incl. VAT (€ thousands)	601	1 079	186	8	20	1 294	577	444	296	161	256	1 156
Percentage of total purchases of the period incl. VAT	2,1%	3,8%	0,7%	0,0%	0,1%	4,5%	-	-	-	-	-	-
Percentage of revenue of the period incl. VAT	-	-	-	-	-	-	2,0%	1,5%	1,0%	0,6%	0,9%	4,0%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables or payables												
Number of invoices excluded	3						12					
Total amount of invoices excluded (€ thousands)	2						326					
(C) Applicable payment period of reference (contractual or legal- article L.441-6 or article L.443-1 of the French commercial code)												
Payment periods applied for the calculation of late payment charges	Contractual payment terms: payment on due date according to the supplier agreements						Contractual payment terms: payment on due date according to the customer agreements					

X. Trading in own shares

Share buyback programme

The General Meeting held on June 14, 2019, according to the terms and conditions set forth in the corresponding resolution, reiterated its authorisation to the Board of Directors, and vested it with all powers to that effect, in accordance with the provisions of Articles L.225-209 to L.225-214 of the French commercial code and AMF regulations, to purchase company shares, with said authorisation able to be used for the following purposes:

- ensure the orderly trading of the Company's shares in connection with a liquidity agreement concluded between an investment services provider complying with the conduct of business rules recognised by the French financial market authority (*Autorité des Marchés Financiers* or AMF);

- meet obligations resulting from stock option plans, bonus share grants, employee stock ownership programs and other share grants to employees and executive officers of the Company or companies affiliated with it;

- remit shares following the exercise of rights attached to securities giving access to the capital;

- purchase shares to be retained for future use for payment or exchange in connection with possible acquisitions; or

- cancel all or part of shares thus acquired.

This authorisation was granted for a period of eighteen months that will expire on December 13, 2020.

Under the authorisation granted by your General Meeting, the Board of Directors acquired and sold shares of the Company in 2019 for the purpose of maintaining an orderly market in its shares.

At December 31, 2019, the Company held 203,869 own shares in treasury compared with 191,245 shares at December 31, 2018.

Liquidity agreement

On November 17, 2006, CIS entered into an agreement with the brokerage firm Gilbert Dupont SNC of Société Générale, whereby Gilbert Dupont SNC is charged with intervening in the market and promote the liquidity and orderly trading of CIS shares. Gilbert Dupont SNC exercises its market making engagement in total independence. The agreement entered into with Gilbert Dupont SNC is compliant with the conduct of business rules of the AFEI (the French association of securities industry and financial market professionals) recognised by the AMF, the French financial market authority.

The annual liquidity agreement report published on January 7, 2020 on the CIS website is summarised below:
- Number of shares: 49.712
- Balance in cash in the liquidity account : €164,127.

The terms of the liquidity agreement entered into with the brokerage firm, Gilbert Dupont, was modified on October 11, 2019 and CIS made an additional contribution to the liquidity account of €50,000.

XI. Appropriation of earnings

In light of the current context of the Covid-19 epidemic , pursuant to the proposal by the Chairman of the Board of Directors, Régis Arnoux, the Company decided to not distribute dividend for the period ended December 31, 2019 in order to strengthen the Group's present and future cash position.

We propose that net profit for the year of €3,004,045.04 be appropriated to "Other reserves".

XII. Statutory disclosure of dividend distributions

In accordance with the provisions of Article 243 *bis* of the French general tax code, dividends paid for the last three financial periods are disclosed below.

	2016	2017	2018
Number of shares entitled to dividends	8,041,040	8,041 040	8,041 040
Net dividend per share	€0.06	€0.11	€0.12
Closing share price at year-end	€16.90	€16.99	€9.16

XIII. Expenses not deductible from taxable income

In compliance with Article 223 *quater* of the French General Tax Code, we inform you that expenses non-deductible from taxable income, excluding income tax, for the period ended amounted to €13,446 including €1,468 for expenses covered by Article 39-4 of this code.

XIV. Information on corporate officers

Information relating to the general policy for corporate officers and the compensation policy for executive and non-executive officers, are presented in the report on corporate governance attached to this management report.

Information on attendance fees paid to directors for fiscal 2019 is also provided in the report on corporate governance.

XV. Employee stock ownership

In accordance with the provisions of Article L.225-102 of the French Commercial Code, information on employee stock ownership on the last day of the fiscal year, or December 31, 2019, is disclosed below: 203,570 shares representing 2.5% of the share capital.

None of the securities are held under collective management schemes (and notably PEE or FCPE employee savings or stock ownership plans) and there are no stock option plans of the Company currently in force.

XVI. Research and development activities

With respect to the provisions of Article L.232-1 of the French commercial code, we inform you that the Company has not engaged in any research and development activities eligible for tax and financial advantages granted in certain circumstances by public authorities.

No expenditures of this nature have been recognised under assets in the balance sheet.

XVII. Factors that may have an impact in the event of public offers

Factors that may have an impact in the event of public offers on the securities of CIS covered by article L.225-100-3 of the French commercial code are presented the report on corporate governance included in this annual report.

XVIII. Status of auditors' appointments

No offices are up for renewal.

XIX. Corporate foundation

Pursuant to the decision by the General Meeting of June 12, 2007, our company set up a corporate foundation that was officially formed by the decision of the representative of the French government (*Préfet*) of the Bouches du Rhône region of February 11, 2008.

We remind you that the objective of this Foundation is to select one or more persons coming from under-resourced environments wishing to receive secondary-school or university training and having defined a career project, in order to provide them with financial support as well as any help and assistance over the duration of their studies.

Since its creation, the CIS Foundation has supported more than 120 people. Today they occupy a wide range of positions in the field of healthcare, banking, consulting firms and even in the videogame industry.

For information, our Foundation, with an annual budget of €40,000, assisted and monitored the progress of 31 candidates during fiscal 2019.

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The draft resolutions we had produced relate to various items of business referred to above, as well as the discharge of the members of the Board of Directors and the agreements referred to in article L.225-38 et *seq*. of the Commercial Code, as well as the agreements similar in nature to those covered by Article L.225-42 subsection 3 of the Commercial Code.

We hereby request that you approve these resolutions submitted to your vote.

THE BOARD OF DIRECTORS

NON-FINANCIAL STATEMENT FOR THE PERIOD ENDED DECEMBER 31, 2019

OUR VALUE CREATION MODEL

OUR CAPITAL

Financial capital
Stability guaranteed by a family shareholder base majority-held by the Arnoux family.

Societal capital
- A network of partners associated with our societal sustainable development initiatives.
- Partnerships with local suppliers and businesses.

Cultural capital
21 countries and 62 different nationalities including 12 at the head office.

Human capital
13,425 employees, 35 % of which are women.

Environmental capital
- 89 tonnes of composting to enrich the soil.
- 3.47 tonnes of recycled paper at the head office.
- 83,409 kWh of electricity and 1,062 m^3 of water consumption at the head office.

HOW WE CREATE VALUE

Our values
Integrity, respect, excellence, responsibility, boldness, passion.

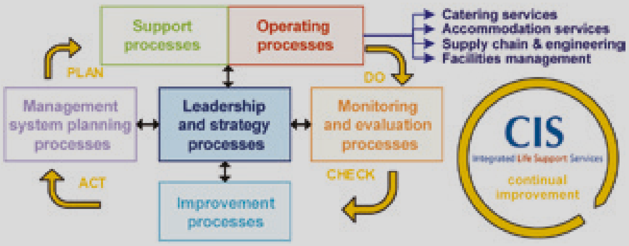
Our vision
To become the international provider of choice for integrated services in the oil, gas, mining, infrastructure and defence markets.

Our mission
- To pursue lasting relations with our customers, partners and employees based on trust and the quality of our services.
- To increase our expertise as a provider of international catering and integrated services by leveraging our know-how, values and human capital.
- To offer reliable, innovative and competitive solutions.
- To ensure the continuing satisfaction of our customers.
- To respect applicable laws and regulations and our code of conduct.

Our policies
Code of Conduct, Quality and Commitment to Excellence, Sustainable Development, Occupational Health and Safety, Food Safety, Information Systems Security, Health and Wellness, Combating Psychoactive Substance Abuse, Road Safety, Gifts and Innovations.

Our strategy
A focus on growth and improving operating performances.

Our integrated system for management excellence



CREATED VALUE

Our revenue
€265.7 million.

Our sustainable development initiatives
More than 22,000 people directly impacted in 21 countries by our initiatives aligned with the UN goals for:
- Ending hunger, achieve food security, improve nutrition and promote sustainable agriculture;
- Ensure healthy lives and promote well-being for all at all ages;
- Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- Reduce inequality within and among countries;
- Protect, restore and promote sustainable use of terrestrial ecosystems.

Our international certifications
- UN Global Compact within the Group;
- ISO 9001: Algeria, Bolivia, Brazil, France, Kazakhstan, Mauritania, Mongolia, Chad;
- ISO 14001: Algeria, Bolivia, Mongolia, Chad;
- ISO 22000: Brazil, Kazakhstan, Mongolia;
- OHSAS 18001: Algeria, Bolivia, Kazakhstan, Mauritania, Chad.

Our low incident rate
- A total recordable injury rate (TRIR) of 0.3;
- A lost time injury rate (LTIR). of 0.2.

Our satisfaction rate
- A satisfaction rate of 89 % based on 2,266,094 consumer votes from 9 countries.

OUR COMMITMENTS

QUALITY POLICY AND COMMITMENT TO EXCELLENCE

Our business is to provide food, housing, service and care for thousands of people around the world working on major projects.

Today we are recognised worldwide for our expertise in managing remote sites in the four corners of the globe, the professionalism of our teams and the quality of our services.

To maintain and improve the performance of our services, I initiated a quality process at CIS for which in February 2004, we received ISO 9001 certification.

All necessary means and resources have been implemented for this process seeking to:
- Consolidate CIS’ position in order to respond to major calls for tenders and facilitate its access to new markets,
- Improve the efficiency of our organisation and working practices,
- Strengthen interactions between the headquarters and the sites,
- Ensure a consistent level of quality over the long-term of our services to meet the growing demands by our customers, particularly in the area of QHSE,
- Promoting and respecting core values in the areas of human rights, working condition standards and the environment, and the fight against corruption.

These quality objectives are reviewed, measured and analysed each year.

In this context, and because the satisfaction of our customers and consumers is our top priority, I ask all staff, including those working at the operating sites to actively continue to contribute to this collective and company-wide undertaking, with the Chief Quality Officer.

Régis Arnoux, *Chairman & CEO*

SUSTAINABLE DEVELOPMENT POLICY

CIS Group is convinced that the success and sustainability of any organisation must be based on a sustainable development policy which is both ambitious and realistic.

Drawing on the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work the Rio Declaration on Environment and Development and the United Nations Convention against Corruption, and organised around its own Integrated System for the Management of Excellence, CIS Group's sustainable development policy is based on the following core principles:

1. CIS Group's headquarters and operations must support and respect measures for protecting human rights.
2. CIS Group's headquarters and operations must ensure that they are not complicit in violations of human rights.
3. CIS Group's headquarters and operations must respect the freedom of association and recognition of the right to collective bargaining.
4. CIS Group's headquarters and operations must not accept any form of forced and mandatory labour.
5. CIS Group's headquarters and operations must not accept child labour.
6. CIS Group's headquarters and operations do not tolerate discrimination.
7. CIS Group's headquarters and operations must apply the precautionary principle with respect to environmental challenges.
8. CIS Group's headquarters and operations must take all necessary measures to promote greater environmental responsibility.
9. CIS Group's headquarters and operations must encourage the development and adoption of eco-friendly technologies.
10. CIS Group's headquarters must act against corruption in all its forms, including extortion.

Régis Arnoux, *Chairman & CEO*

HEALTH AND OCCUPATIONAL SAFETY POLICY

The health and safety of people is a core value of CIS Group and the basis of its permanent focus on achieving a “zero incident” performance as an absolute priority.

In consequence, it is prohibited to engage in any service or activity at the expense of the health of any party whatsoever.

CIS Group undertakes to provide all staff with safe and healthy working conditions. In exchange, the mission – and duty – of CIS employees are to:
- Participate in improving occupational safety and intervening in a proactive manner to prevent any accident or material damages;
- Constantly identify, evaluate and manage risks in order to perform all services in complete safety;
- Promote a proactive culture of intervention and facilitating all initiatives for raising awareness or improving safety;
- Strictly apply procedures for responses to emergency situations;
- Stop any task or activity which could generate an unacceptable risk for the health and safety of people.

Régis Arnoux, *Chairman & CEO*

HEALTH AND WELL-BEING POLICY

CIS Group has undertaken to provide a healthy working environment which enhances and improves the health and well-being of all its employees.

Through its integrated Management Excellence System, CIS Group is required to apply following principles:

1. Establishing the best practices for promoting healthy nutrition, physical activity and well-being.
2. Raising awareness and increase the knowledge of employees about the health issues.
3. Promoting healthy nutrition and helping employees make healthy food choices.
4. Encouraging employees to take responsibility for their health and well-being.
5. Encouraging employees to be more physically active by offering activities in the workplace.
6. Promoting a smoke-free work environment and helping employees to quit smoking.
7. Undertaking with other stakeholders to support the well-being of employees by adopting good practices in the work environment.
8. Identifying and respecting the laws and regulations of the countries where we operate and other standards recommended at the international level.

Régis Arnoux, *Chairman & CEO*

OUR RESPONSIBILITIES

CIS Group since its creation has consistently sought to pursue a path of sustainable development in a manner that benefits local populations and economies in the countries where it operates. Through its position as a worldwide leader in remote site management specialised in providing living accommodations and catering services, CIS has an increasing responsibility to its customers, consumers, staff and suppliers.

Our business has undergone major transformations in recent years. In response to this trend, CIS has decided to regularly introduce increasingly responsible, forward-looking and proactive practices. CIS has developed a comprehensive process built around the three pillars of sustainable development, divided into ten areas:

Economic responsibility and performance

- Customer and consumer satisfaction
- Guaranteeing effective processes to ensure profitable operations for our investors
- Contributing to sustainable local economic growth
- Publishing information on sustainable development

Environmental responsibility and performance

- Reducing the environmental impacts of our products and services
- Limiting greenhouse gas emissions

Social and corporate responsibility and performance

- Staff safety
- Monitoring human resources regulations and anticipating regulatory developments
- Ethical development of CIS
- Strengthening relations with stakeholders

OUR VALUES


Global Compact
Réseau France

CERTIFICAT D'ADHESION AU GLOBAL COMPACT DES NATIONS UNIES

Catering International & Services

In 2004, CIS incorporated a business ethics charter into its management system that defines and highlights the ethical, moral and professional rules of conduct to be applied in our business practices and relations with third parties (customers, suppliers, partners, authorities, shareholders etc.).

Indeed, our actions must comply with the principles of integrity, impartiality and openness in order to maintain and increase the confidence of our shareholders, partners, customers and suppliers, and ensure our continuing success.

Our commitments consist in particular in combating money laundering, fighting against corruption, complying with the rules of fair trade and confidentiality, avoiding any situations giving rise to conflict of interests, strictly comply with all applicable laws and regulations, and adopting environmentally friendly and sustainable development practices. In line with these objectives, CIS has been a member of the UN Global Compact since 2005 and regularly publishes on this basis the report to stakeholders entitled "Communication on Progress".

In addition, CIS is actively engaged in its day-to-day operations in promoting diversity, equal opportunity employment, occupational health and safety. These values are shared by all CIS staff and management with the Business Ethics Charter applying to both.

METHODOLOGY NOTE

The following information is presented in accordance with the disclosure requirements established by Article 225 of the "Grenelle II Act" of July 12, 2010 and the implementation decree of April 24, 2012. Decree No. 2016-1138 of August 19, 2016 has supplemented disclosure requirements by introducing the notion of circular economy. The reporting boundary for indicators presented covers the entire Group (CIS France as well as all subsidiaries and companies that it controls), calculated by consolidating data collected from the countries where CIS operates. As such the reporting boundary for social data and the Group's environmental impacts is consistent with the financial reporting boundary. Additional information on our sustainable development commitments and policy is available at CIS Group's website: www.cis-integratedservices.com

Reporting boundary

Certain indicators are presented herein on the basis of a limited reporting boundary (headquarters or headquarters and expatriate staff) in light of the relevance or availability of such information. These reporting boundary limitations are specified within the report for each indicator concerned.

The QHSE and Sustainable Development department implemented the "CSR Data" project in 2013. This project that involved the creation of an environmental reporting matrix provided a mechanism for collecting selected data. Several operating sites in effect confirmed that it was not materially possible to evaluate or obtain reliable data to quantify:

- Water, electricity, fuel consumption;
- Volume of waste produced and recycled,
- CO_2 emissions

... as the sourcing of these supplies and their recycling are managed by our customers that possess only consolidated information for the site, without the possibility of providing detailed quantitative data for each of their many subcontractors, among which we ourselves are included.

In 2018, the QHSE & SD Department implemented the Integrated Management Excellence System which applies a process and risk-based approach. The QHSE & SD reporting has been fully revised at the level of the performance indicators by adding new areas and improving its calculations and reliability.

Reporting period

The reporting period runs from January 1, to December 31, 2019. Data for comparison purposes relates to the period from January 1, 2018 to December 31, 2018.

Areas not relevant or not covered by the report

The report on collective bargaining agreements is not included in the absence of information able to be consolidated. Measures to prevent, reduce or repair serious adverse effects on the environment from emissions into air, water and soil, management of noise pollution and other forms of pollution specific to an activity, land use, adapting to the consequences of climate change, resources devoted to preventing environmental risks and pollution are considered as not relevant in light of the nature of our business.

In 2019, CIS Group did not incur expenditures (as in 2018) for the prevention of environmental and pollution risks, to the extent this was not necessary, as it is our customers who are the owners of the installations and consequently responsible for decisions on environmental measures. At December 31, 2019, there were no provisions for contingencies and guarantees for environmental risks.

Mapping CIS' corporate social responsibility risks

The Group's Integrated Management Excellence System includes risk mapping for all its processes, including sustainable development risk processes. This process along with the associated risks (climatic, ethical, geopolitical, health, social, intergenerational, technological, financial and not to catastrophes) are reviewed annually.

The annual QHSE plan provides for the communication of CSR risks to ensure that they are identified and controlled within Group subsidiaries.

With respect to the activities of CIS Group, we consider that the most important CSR are as follows:

- Health, in light of the physical complexity and health vigilance resources required for remote environments in extreme conditions;
- Geopolitical, with certain countries in which the Group operates considered by the European Union as at high risk of terrorist attacks;
- Climatic, considering that most of CIS' operations are located in extreme environments, for example in Siberia and the Saharan and Gobi deserts.

CIS' CSR performance indicators

The CSR performance indicators are part of the sustainable development process of the Group's integrated management excellence system, with the objective of ensuring every year a certain number of SD initiatives, in each subsidiary, relating to United Nations sustainable development goals (UN SDGs).

The CSR performance indicators are reviewed and communicated annually through the annual QHSE plan to ensure their deployment in the Group subsidiaries.

CIS has been a UN Global Compact certificate holder since 2005 for its commitment to respecting the 10 UN Global Compact principles and, more generally, the UN objectives.

CIS social responsibility stakeholders

CSR stakeholders are identified in the Group's integrated management excellence system and reviewed every year when updated.

GUIDELINES

The information presented below was produced by CIS Group and is available on request.

The CIS Group employer profile

OUR TEAMS

At December 31, 2019, the Group had 13,425 employees. Women accounted for 35% of the workforce (headquarters and expatriate staff) or a total of 4,732.

This gender imbalance within the Group is a direct consequence of our activity as a provider of catering services in extreme conditions and our presence in certain countries where religious rules prohibit women from working, with the safety of our teams in operating countries remaining our priority.

Work-time organisation

The legal number of working hours for headquarters staff of the Group is 39 hours per week. The absenteeism rate in 2019 was 1.3% for the headquarters. This indicator is obtained dividing the number of days lost through absence by the number of working days.

Working hours for local employees in operating countries are determined in reference to local regulations.

The duration of expatriate assignments is largely dependent on the customer contracts.

Expatriates, depending on their contract and operating country, work according to assignments defined in terms of weeks or months of continuous presence in the field versus the length of their home stay (for example "8/3" corresponds to an eight week assignment in the field for three weeks at home).

The organisation of dialogue between employees and management

In light of its workforce, CIS France has established a dialogue of quality with employee representatives who may be consulted, in particular, on subjects relating to occupational health and safety.

PROMOTING AND DEVELOPING TALENT

Staff training: developing skills to achieve continuous improvement in the quality of our service and promote professional fulfilment for all our staff.

Training programmes available to teams cover:
- Quality
- Safety
- Technical- business speciality training
- Managerial skills
- Information technology

All staff, regardless of their responsibilities, are offered a training programme adapted to their skills, providing them with a possibility, according to their wishes, for vocational retraining for a career change, an international assignment or a career advancement.

SAFETY OF OUR TEAMS: OUR PRIORITY

The occupational health and safety management methods of CIS Group comply with ISO and OHSAS guidelines. This also applies to subsidiaries not engaged in a certification process. Compliance with these guidelines by all Group staff is further reinforced by provisions that have been incorporated into the Business Ethic Charter.

Occupational accidents are systematically analysed to determine the causes and take corrective actions, by taking measures to secure the site, train personnel or implement preventive actions.

In 2019, the total recordable incident rate (TRIR), calculated by number of recordable injuries multiplied by 200,000, in relation to the number of days worked per year, was 0.3 compared to 0.5 in 2018. In 2019, the lost time incident rate (LTIR), calculated by number of lost time days multiplied by 200,000, in relation to the number of days worked per year, was 0.2 compared to 0.2 and 2018.

The frequency rate for road accidents, calculated according to a multiple of 500,000 accidents per vehicle-kilometre, amounted to 0.5 and 2019 compared to 0.9 in 2018.

No occupational illnesses were reported at the Group headquarters in 2019.

Playing an active role in our safety

Since 2013, CIS Chad has provided training through its employees on workplace safety using an interactive approach. Teams of two or three volunteer "actors" who are comfortable about speaking in the public meet with the QHSE Department each week to decide together the subject of their sketch and determine the message to be conveyed. To retain the attention of the audience, the sketch must be short (five minutes maximum), humorous and performed in the local language. Whether these sketches present scenarios of real day-to-day workplace conditions or a simulated accident, the message that is simple but also always relevant is more effectively conveyed to employees as well as customers who appreciate both the initiative but also the results thus obtained.

Countries having met their objective of zero accidents

There were no accidents to report, even minor, in Burkina Faso, the Bahamas, Eritrea, France, au Kazakhstan, Mali, Mauritania, Mozambique, Niger, Russia, Senegal.

OUR BUSINESS ETHICS CHARTER: AN INTERNAL CODE OF CONDUCT

Ethical recruitment and promotion practices: an equal opportunity employer

Recruitment and promotion within the Group are based exclusively on the skills and qualifications of each employee, without discrimination relating to gender, ethnic origin or physical condition. By way of example, headquarters and expatriate staff represent 62 different nationalities (12 for the Group's headquarters), and disabled employees 0.31%. The Business Ethics Charter is signed by all employees when they join CIS Group.

Workforce by age

Less than 25	9%
25-29	15%
30-34	20%
35-40	17%
40-44	13%
45-49	11%
50-54	8%
55-59	5%
60 and older	2%

In addition, CIS' Board of Directors complies with the provisions of Law No. 2011-103 of January 27, 2011, pertaining to balanced gender representation.

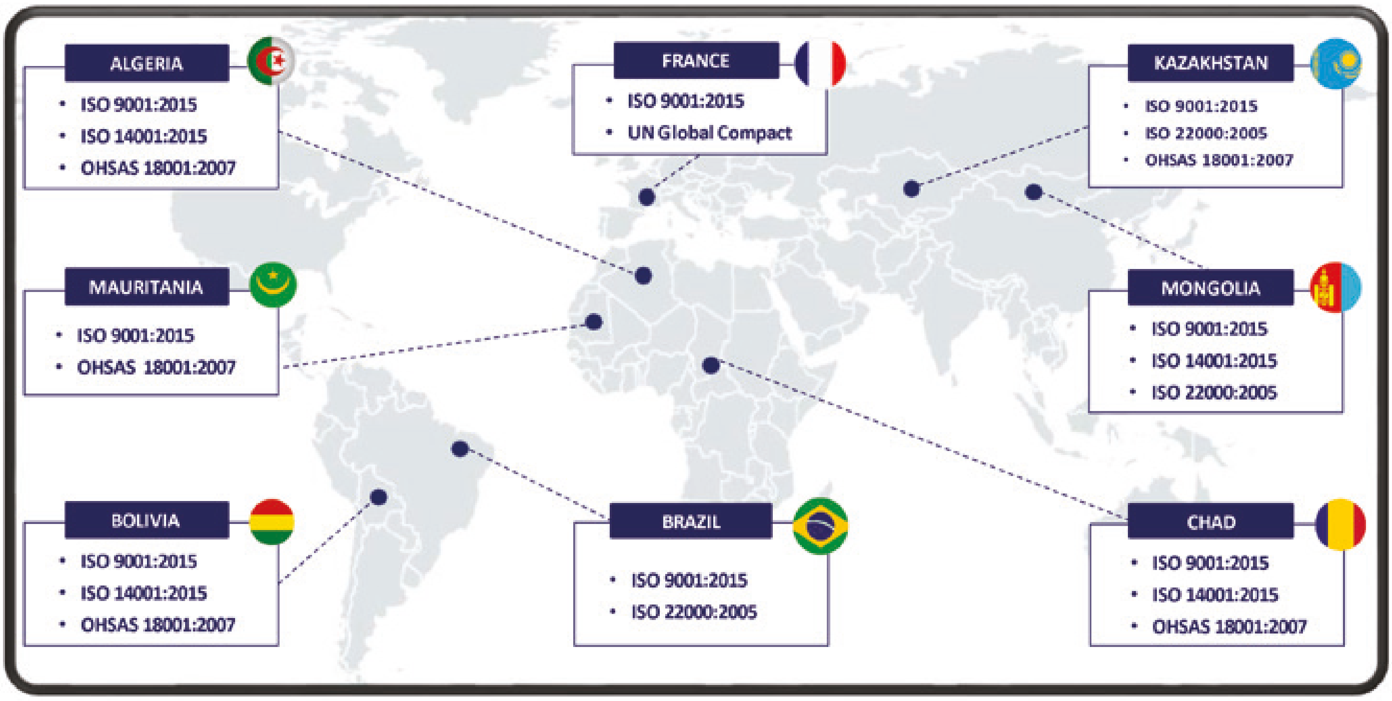
Furthermore, the Charter requires within the Group the promotion of and strict compliance with the ILO core conventions (freedom of association and protection of the right to organise and negotiate collective bargaining agreements, eliminating employment and occupational discrimination, abolishing forced labour and the effective abolition of child labour).

Fair business practices call for an engagement by all employees

Promoting the fight against corruption, and in particular, the policy of accepting and offering gifts within the framework of the relations of Group employees with interested third parties (supplier, customer, local public authority, board, etc.) is strictly defined by the Group's Business Ethics Charter. Furthermore, consumer health and safety is guaranteed by compliance with the ISO and OHSAS guidelines within Group subsidiaries.

CIS Group as an active environmental stakeholder

THE GROUP HAS SEVERAL CERTIFICATION PROCESSES UNDERWAY



CUSTOMER SATISFACTION

The Group began to roll out a customer satisfaction programme in 2018. In 2019, the satisfaction rate was 89%, based on 2,266,094 consumer votes recorded in the catering department by a third-party entity. This voting process was made possible by equipment installed at sites and in Saudi Arabia, Brazil, Kazakhstan, Mongolia, Mauritania, Mozambique, Russia and Chad.

OUR COMMITMENTS IN FAVOUR OF PROTECTING THE ENVIRONMENT

Responsible consumption of resources

In 2019, for the Group headquarters, water consumption totalled 1,062 m^3 and electricity consumption 83,409 kWh, a low-level that has not warranted measures for the study of renewable energy options. As indicated in the section presenting the “CSR Data” project, this information is not available for these subsidiaries. However, Country Managers are aware of the need for sustainable water consumption practices, particularly in water-stressed regions.

The IUCN (International Union for Conservation of Nature) Red List is the authoritative guide on the status of global biodiversity. According to the most recent list, 24,307 species were threatened and 5,210 in critical danger. None of the ingredients used in our recipes are derived from threatened species.

The circular economy: food wastage

Supplies of food products for operating sites are dependent on contractual terms (which generally set minimum quantities for food supply inventories to be maintained on site). The consumption of raw materials is an issue in terms of social and environmental responsibility but also profitability. For that reason, their efficacy is measured by monitoring contract by contract the daily cost price of food supplies used in preparing meals. Recycling and limiting waste can have a meaningful impact on contributing to environmental protection.

From the table to the farm: we have implemented a policy for minimising and recycling waste products (notably in Mauritania and Mozambique). In this way, we produce our own compost with organic products originating from our production and service activities. This compost is used as gardening fertiliser at certain remote sites. 89 tonnes of compost have been used to fertilise the ground since this initiative was adopted.

The circular economy: limiting non-food waste
3.47 tonnes of paper were recycled in 2019 by the headquarters. In priority we systematically print documents in PDF format and scan photocopies with the objective of limiting paper consumption and protecting the environment. Packaging waste separation procedures exist at all our subsidiaries.

Reducing the Group's carbon footprint
The carbon footprint of CIS Group's activities is measurable by carbon assessments for travel by headquarters and expatriate employees. In 2019, the impact of our travel amounted to a CO_2 concentration of 1,449 tonnes. We encourage our personnel to limit their travel to reduce our environmental footprint, notably by using videoconferencing communications to avoid unnecessary travel. Headquarters electricity consumption represented 1.5 tons in CO_2 emissions in 2019 based on emission factors published by the EDF, the French electricity provider.

Releases of dangerous substances, noise nuisance and other specific impacts
The Group's activity does not generate air, water or ground pollution with an environmental impact. Land use, noise pollution and other forms of pollution specific to an activity have also not been measured as indicators not applicable to our activity.

OUR SOCIETAL COMMITMENTS

The United Nations Sustainable Development Goals
The 17 Sustainable Development Goals (SDGs or Agenda 2030) were adopted in September 2015 by 193 countries at the United Nations following the Millennium Development Goals (MDG). They represent an action plan for peace, humanity, the planet and prosperity which require the implementation of multi-stakeholder partnerships. Their ambition is to transform our societies by eradicating poverty and ensuring a fair transition to sustainable development by 2030.

Universal, inclusive and interlinked, these goals represent a call for action by all and provide a common universal language. The SDG offer a frame of reference for action, a tool for raising the awareness, a source of economic opportunities and a platform for multi-stakeholder collaboration.

CIS contributed to achieving a certain number of these goals through several sustainable development initiative in 2019. Other initiatives have already been adopted in previous years. This information is available in the corresponding reports for these years.

Goal 2: Zero Hunger
- **End hunger, achieve food security and improve nutrition and promote sustainable agriculture**

2 FAIM «ZÉRO»

It is time to rethink how we grow, share and consume our food. If done right, agriculture, forestry and fisheries can provide nutritious food for all and generate decent incomes, while supporting people-centred rural development and protecting the environment.

Brazil
- Monthly food donations to the *Centro Social Casa do Abraço*. Approximately 150 beneficiaries.

Mongolia
- Donation of lunches to students at the Khanbogd school. Approximately 40 meals per day.

Chad

- Regular donations of food supplies to the Fondation Dieu Bénit's orphanage. Approximately 150 beneficiaries.
- Donations of food supplies to the Fondation Grand Cœur for 12 orphanages in N'Djamena. Approximately 1,500 beneficiaries.
- Donation of food supplies to schools in Doba and Moundou. Approximately 400 beneficiaries.

Goal 3: Good health and well-being

- **Ensure healthy lives and promote well-being for all at all ages**

3 BONNE SANTÉ ET BIEN-ÊTRE

Ensuring healthy lives and promoting well-being at all ages is essential to sustainable development.

Algeria

- Campaign to raise awareness about the importance of reducing salt and preventing food waste for the Chamber of Commerce of Hassi Messaoud. Approximately 360 beneficiaries.

Brazil

- Donations of clothing and toys for Christmas for the children of the *Centro Social Casa do Abraço*. Approximately 77 beneficiaries.

Mauritania

- A nutritional programme introduced in 2015 at the site offering balanced food choices to local populations. Promoting simple labelling and signage designed to help our consumers make balanced food choices. Approximately 3,000 beneficiaries.
- Donations of drugs and medical supplies. Approximately 20 beneficiaries.

Mongolia

- A programme promoting good nutrition and healthy practices introduced at the site in 2013 offering balanced food choices to local populations. Promoting simple labelling and signage designed to help our consumers make healthy lifestyle choices. Approximately 6,000 beneficiaries.
- Training to children on various subjects (health, safety, environment, food safety, nutrition, human resources, etc.). Approximately 350 beneficiaries.
- Donation of school material to children of the Mogjookhon group. Approximately 34 beneficiaries.
- Sponsoring the Shagain Harvaa contest (a traditional Mongolian ankle-bone shooting game) in the Khanbogd soum. Approximately 60 beneficiaries.
- Meal donations to older persons of Khanbogd during the Tsagaan Sar celebration. Approximately 25 beneficiaries.

Mozambique

- Donations of meals to children of CLN employees during the International Day of the Child. Approximately 400 beneficiaries.
- Sponsorship of a volleyball tournament by supplying clothing and donating meals. Approximately 250 beneficiaries.
- Sponsorship of the World Fisheries Day with meal donations to the Nacala-a-Velha fishers association. Approximately 20 beneficiaries.

Democratic Republic of the Congo

- A nutritional programme introduced in 2016 at the site offering balanced food choices to local populations. Using simple labelling and signage designed to help our consumers make balanced food choices. Approximately 600 beneficiaries.

Chad

- Donation of school materials to children of the Franco-American school in Doba. Approximately 100 beneficiaries.
- Donations of schoolbooks to the Fondation Dieu Bénit's orphanage. Approximately 60 beneficiaries.
- Donations of schoolbooks to the RDH school in the Moundou region. Approximately 50 beneficiaries.
- Donations of schoolbooks at the ASFET charity gala event. Approximately 100 beneficiaries.
- Financial support of the CIS football team. Approximately 20 beneficiaries.
- Financial support to the RDH school in the Moundou region. Approximately 50 beneficiaries.
- Donations of food supplies, the preparation of meals and financial support to the Fondation Grand Cœur. Approximately 50 beneficiaries.
- Supporting the implementation of a school cafeteria and assisting with small repairs at the École Evangélique de la Restauration de la Dignité de l'Homme. Approximately 33 beneficiaries.

Goal 8: Decent work and economic growth

- **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**

Roughly half the world's population still lives on the equivalent of about US$2 a day with global unemployment rates of 5.7% and having a job doesn't guarantee the ability to escape from poverty in many places. This slow and uneven progress requires us to rethink and retool our economic and social policies aimed at eradicating poverty.

Eritrea

- Purchase of food products from the local supplier, AMHL Supermarkets & Ship Chandler. Approximately 20 beneficiaries.
- Purchase of food products from the local supplier, SHISHAI Supermarkets & Ship Chandler. Approximately 20 beneficiaries.
- Employment opportunities offered to the community of Asmara. Approximately 100 beneficiaries.
- Employment opportunities offered to the community of Massawa. Approximately 50 beneficiaries.
- Employment opportunities offered to the community of Dahlak. Approximately 50 beneficiaries.

Mauritania

- Annual student scholarships for the foundation of the French school at Nouakchott. Approximately 4 beneficiaries.
- Donations of products and equipment to maintain common areas of a local community and creation of a new position (street cleaning) to employ directly persons from a local community. Approximately 8 beneficiaries.

Mongolia

- Payment of these monthly salary of a teacher of the Mogjookhon group. Approximately 40 child beneficiaries.
- Purchase of local food supplies (*buuz*, a form of meat ravioli, and meatballs) from "Unud owlokhui urlakh LLC", a company located in Dalanzadgad soum. Approximately 20 beneficiaries.
- Purchase of tomatoes and watermelons from a partner named "Uurdiin nogoon khurshuu" located in the Khanbogd soum. Approximately 20 beneficiaries.
- Purchase of tomatoes and watermelons from a partner named "Bileg Manlai" located in the Manlai soumi. Approximately 10 beneficiaries.
- Purchase of flour from a company located in Khanbogd called "Gimd LLC. Approximately 4 beneficiaries.
- Purchase of flour from a company located in Khanbogd called "Gimd LLC". Approximately 5 beneficiaries.
- Sponsorship of scholarships for farmers in Khanbogd. Approximately 8 beneficiaries.

Mozambique

- CIS purchases fruits, vegetables and fish which represents 70% of its total purchases in Mozambique and supports local communities by injecting substantial amounts into the local economy. Approximately 90 beneficiaries.
- A group of postgraduate students developed a programme initiated by CIS supporting the agricultural production season by providing cash flows for seeds and tools, and at the end of the production cycle, CIS then purchased the products. Approximately 75 beneficiaries.
- For the last five years, CIS has been supporting local agricultural groups near Nacala located in one of the region's most productive valleys. Approximately 1,250 beneficiaries.
- CIS has introduced simple and sustainable techniques designed to help local farmers produce according to their needs. Approximately 850 beneficiaries.

Niger

- A greenhouse farming programme to produce vegetables for underprivileged populations. Approximately 50 beneficiaries.

Democratic Republic of the Congo

- Donations of agricultural tools and fertiliser to suppliers of vegetables in the Lubumbashi region. Approximately 150 beneficiaries.

Chad

- Maintenance work in the classrooms of the Fondation Dieu Bénit so that the children can begin their school year on time. Approximately 150 beneficiaries.
- Donations of food supplies and instruction for students of the AgroBoot camp of the Fondation Grand Cœur. Approximately 100 beneficiaries.
- Partnership for sourcing and training with a new local supplier (Khadar & Aya) promoting access to employment to disadvantaged local populations of Ndjamena. Approximately 200 beneficiaries.
- A teacher is made available to provide literacy courses for employees. Approximately 20 beneficiaries.

Goal 10: Reduce inequalities

• **Reduce inequality within and among countries**

The international community has made significant strides towards lifting people out of poverty. The most vulnerable nations – the least developed countries, the landlocked developing countries and the small island developing states – continue to make inroads into poverty reduction. However, inequality persists and large disparities remain regarding access to health and education services and other assets.

France

- Assisting young adults (aged 18-25) coming from under-resourced environments seeking to pursue their studies and supporting their entry into professional life. More than 120 beneficiaries since the start of this programme.

Goal 15: Life on land

• **Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.**

Forests cover 30.7% of the Earth's surface and, in addition to providing food security and shelter, they are key to combating climate change, protecting biodiversity and the homes of the indigenous population. By protecting forests, we will also be able to strengthen natural resource management and increase land productivity.

Eritrea

- A tree-planting programme on a desert island.
- Sourcing water through a an irrigation system for plants and animals.

Mauritania

- Campaign to raise awareness about reducing plastic waste. Approximately 3,000 beneficiaries.

Mozambique

- Waste sorting programme at a CLN site in Nacala-a-Velha. Approximately 800 beneficiaries.
- Supplying organic waste for compost production at the CLN plant nursery. Approximately 800 beneficiaries.

Niger

- Creation of an irrigation system designed to reduce water consumption at Airlit. Approximately 100 beneficiaries.

BALANCED NUTRITION AND DIET

With nearly 51 million meals served every year to its customers and employees in 2019, CIS Group is very conscious of the health effects of an unbalanced diet. In response, to combat cardiovascular illnesses and obesity, CIS head chefs receive specific training on measures for reducing saturated fats, sugar and salt in their recipes. The consumption of salt and oil, as well as the Group's nutrition programme represent performance indicators measured monthly in all the Group's canteens.

CIS has developed the nutrition programme, "Health 4 You":

- **A nutritional assistance department:** Nutritional assistance to residents or individuals tailored to their specific needs.
- **Implementation of the traditional colour codes:** A tool designed to help users choose healthier meals.

We are reinforcing our ambitions for the years ahead, through in particular a "Menu Engineering" application developed in-house. This tool which is adapted to our professional needs, benefits from the multidisciplinary expertise of our local and headquarters' teams (Group nutritionist, software developer, country financial controller, country manager, QHSE & SD manager, etc.).

The application, already installed by our operations in Mauritania, Saudi Arabia and Mongolia will thus be equipped with many functionalities such as producing standardised menu sheets including nutritional data for 8,464 ingredients (USDA database), but also different cooking techniques, information on allergens, producing balanced menus, preparing purchases, managing labelling, etc.

REGIONAL IMPACT OF CIS GROUP ACTIVITIES IN OPERATING COUNTRIES

With a policy of giving preference to recruiting staff originating from the countries where it operates, 98% of CIS Group activities are assured by local employees. Employees are offered both job opportunities and training formations (in certain cases leading to a professional diploma),while subsidiaries promote the transfer of expertise from expatriates to local staff.

Our procurement policy provides for sending a questionnaire on ethical practices to suppliers prior to their selection. The Group does not have recourse to subcontracting.

THE COMMITMENT OF GROUP COMPANIES TO LOCAL DEVELOPMENT

In light of the breakdown of CIS activities throughout the world, we have not considered it useful to undertake initiatives in the different countries based on a common global project. Instead, CIS Group emphasises the importance to Country Managers and expatriate staff on the necessity of safeguarding the local environment. In this way, each subsidiary contributes to local projects of its own choosing, based on specific regional needs and considerations. Through this approach, each of our local projects receives the support of teams on-site and offers relevant and effective forms of engagement to local stakeholders.

Furthermore, CIS Group has been a member of the UN Global Pact since 2005 and regularly publishes on this basis its report to stakeholders entitled “Communication on Progress” on promoting and respecting human rights, labour rights, the environment and anti-corruption measures.

RELATIONS WITH STAKEHOLDERS, AND NAMELY PEOPLE OR ORGANISATIONS INTERESTED IN THE COMPANY’S ACTIVITIES

CIS Group is listed on Euronext Paris and in that capacity, regularly publishes regulated information which is made available to all persons interested in the company about service activities on the Group’s website.

CIS FOUNDATION

Finally, in Marseilles CIS Group created the CIS Corporate Foundation to support young adults coming from under-resourced environments in the PACA region wishing to receive secondary-school or university training and having defined a career project.

We support them throughout their project until their entry into professional life, not only with financial support but also by providing help and assistance over the duration of their studies.

Since its creation, the CIS Foundation has supported more than 120 scholarship recipients. Today they occupy a wide range of positions in the field of healthcare, banking, consulting firms and even in the videogame industry.

For information, our Foundation, with an annual budget of €40,000, assisted and monitored the progress of 31 candidates during fiscal 2019.

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

CONSOLIDATED INCOME STATEMENT (IFRS)

For fiscal years ended December 31, 2019 and 2018
(€ thousands)

	Notes	31/12/2019	31/12/2018
REVENUE	**(3)**	**265,725**	**224,162**
Cost of sales		(119,700)	(97,492)
Staff costs	(22)	(86,409)	(75,290)
External charges*		(36,242)	(33,109)
Taxes other than on income		(7,027)	(6,258)
Allowances for depreciation and amortisation		(2,582)	(2,556)
Allowances for IFRS 16 related amortisation		(4,129)	0
Provisions/reversals	(4)	490	543
CURRENT OPERATING PROFIT	**(3)**	**10,126**	**10,000**
Other operating income	(5)	206	184
Other operating expenses	(5)	(353)	(551)
OPERATING PROFIT		**9,979**	**9,633**
Cash and cash equivalents		1,874	3,428
Cost of gross financial debt		(1,288)	(3,018)
IFRS 16 lease liabilities		(408)	0
COST OF NET FINANCIAL DEBT	**(6)**	**178**	**410**
PROFIT BEFORE TAX		**10,157**	**10,043**
CORPORATE INCOME TAX	**(7)**	**(4,002)**	**(4,518)**
CONSOLIDATED NET PROFIT		**6,155**	**5,525**
Attributable to non-controlling interests		(791)	(638)
NET PROFIT ATTRIBUTABLE TO THE GROUP		**5,364**	**4,887**
Number of shares		8,041,040	8,041,040
Earnings per share (in euros)		*€0.67*	*€0.61*
Diluted earnings per share (in euros)		*€0.67*	*€0.61*

* of which IFRS 16 restatements: €4,384,000 at 31/12/2019.

CONSOLIDATED BALANCE SHEET (IFRS)

For fiscal years ended December 31, 2019 and 2018
(€ thousands)

	Notes	31/12/2019	31/12/2018
NON-CURRENT ASSETS			
Net intangible assets	(8)	14,930	7,043
Net property, plant and equipment	(9)	8,415	7,407
IFRS 16 right-of-use assets	(9)	8,923	0
Net financial assets	(10)	738	739
Deferred tax assets		99	208
TOTAL NON-CURRENT ASSETS		**33,105**	**15,397**
CURRENT ASSETS			
Inventories	(11)	19,306	11,743
Net trade receivables	(12)	59,311	43,192
Other current assets	(13)	11,448	7,271
Current tax assets		1,407	2,092
Cash and cash equivalents*	(14)	53,399	49,220
TOTAL CURRENT ASSETS		**144,871**	**113,518**
TOTAL ASSETS		**177,976**	**128,915**

* of which for Algeria €34,619,000 at 31/12/2019 and €33,116,000 at 31/12/2018.

CONSOLIDATED BALANCE SHEET (IFRS)

For fiscal years ended December 31, 2019 and 2018
(€ thousands)

	Notes	31/12/2019	31/12/2018
SHAREHOLDERS' EQUITY			
Share capital		1,567	1,570
Reserves		52,351	49,921
ANNUAL PROFIT		**5,364**	**4,887**
Non-controlling interests		2,256	3,002
TOTAL SHAREHOLDERS' EQUITY		**61,538**	**59,380**
NON-CURRENT LIABILITIES			
Non-current provisions	(15)	967	1,441
Bank and other long-term borrowings	(16)	17,968	11,305
IFRS 16 long-term lease liabilities	(16)	5,438	0
Deferred tax liabilities		0	0
TOTAL NON-CURRENT LIABILITIES		**24,373**	**12,746**
CURRENT LIABILITIES			
Current financial liabilities	(16)	9,487	6,543
IFRS 16 short-term lease liabilities	(16)	3,638	0
Trade payables		48,635	32,439
Current tax assets		3,444	3,335
Other current liabilities	(17)	26,861	14,472
TOTAL CURRENT LIABILITIES		**92,065**	**56,789**
TOTAL EQUITY AND LIABILITIES		**177,976**	**128,915**

STATEMENT OF CASH FLOWS (IFRS)

For fiscal years ended December 31, 2019 and 2018
(€ thousands)

	31/12/2019	31/12/2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net profit	6,155	5,525
Non-cash items		
Allowances for depreciation and amortisation, provisions	5,319	2,029
Gains or losses from asset disposals	733	5
Changes in working capital		
Change in inventories	(7,138)	533
Change in trade and related receivables	(6,512)	1,654
Change in trade and related payables	13,913	423
Changes in other operating assets and liabilities	2,207	(3,081)
Net cash flow from operating activities	**14,677**	**7,088**
CASH FLOW FROM INVESTING ACTIVITIES		
Impact of changes in Group structure	(10,448)	(3)
Acquisitions of intangible assets and property, plant and equipment	(3,175)	(2,579)
Acquisitions of financial assets	0	0
Disposals of intangible assets and property, plant and equipment	364	252
Disposals of financial assets	0	0
Other cash flows from investing activities	(262)	100
Cash provided by (used in) investing activities	**(13,521)**	**(2,230)**
CASH FLOW FROM FINANCING ACTIVITIES		
Treasury shares	144	(969)
Capital increase	0	0
Proceeds from the issuance of borrowings	12,428	7,784
Decrease in borrowings	(2,903)	(5,825)
Repayment of IFRS 16 lease liabilities	(3,976)	0
Dividends paid to Group shareholders	(965)	(885)
Dividends paid to non-controlling shareholders of subsidiaries	(1,607)	0
Withholding tax paid by subsidiaries	(749)	(659)
Cash flow from financing activities	**2,372**	**(554)**
Exchange rate impact on cash	**432**	**(46)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**3,960**	**4,258**
NET CASH AT THE BEGINNING OF THE PERIOD	**48,416**	**44,158**
NET CASH AT THE END OF THE PERIOD	**52,376**	**48,416**

STATEMENT OF CHANGES IN EQUITY (IFRS)

For fiscal years ended December 31, 2019 and 2018
(in € thousands except shares)

	Number of shares	Capital	Reserves	Translation adjustments	Net income	Non-controlling interests	TOTAL
EQUITY AT 31 DECEMBER 2017	**7,938,437**	**1,588**	**69,014**	**(20,498)**	**4,315**	**2,399**	**56,818**
Net income appropriation of the prior year			4,315		(4,315)		
Payment of dividends			(885)			0	(885)
Translation reserve				(1,216)		5	(1,211)
Treasury shares	(88,642)	(18)	(952)				(970)
Consolidated retained earnings							
Changes in Group structure			143			(40)	103
Net income for the financial year ended 31 December 2018					4,887	638	5,525
EQUITY AT 31 DECEMBER 2018	**7,849,795**	**1,570**	**71,635**	**(21,714)**	**4,887**	**3,002**	**59,380**
Net income appropriation of the prior year			4,887		(4,887)		
Payment of dividends			(965)			(1,607)	(2,572)
Translation reserve				(672)		59	(613)
Treasury shares	(12,624)	(3)	(141)				(144)
Consolidated retained earnings							
Changes in Group structure			(679)			11	(668)
Net income for the financial year ended 31 December 2019					5,364	791	6,155
EQUITY AT 31 DECEMBER 2019	**7,837,171**	**1,567**	**74,737**	**(22,386)**	**5,364**	**2,256**	**61,538**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

For fiscal years ended December 31, 2019 and 2018
(€ thousands)

	31/12/2019	31/12/2018
CONSOLIDATED NET PROFIT	**6,155**	**5,525**
Translation differences of consolidated subsidiaries	(683)	(1,124)
Actuarial gains (losses) on defined benefit obligations	-	-
COMPREHENSIVE INCOME	**5,472**	**4,401**
Attributable to the Group	*4,623*	*3,758*
Attributable to non-controlling interests	*849*	*643*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (IFRS)

For fiscal years ended December 31, 2019 and 2018

1. THE GROUP

The consolidated financial statements of CIS for the year ended December 31, 2019 were approved by the Board of Directors on April 23, 2020.
The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) for the Group formed by Catering International & Services as the parent company and its subsidiaries.
The Group's business is conducted entirely in international markets.
CIS is specialised in the management of remote sites in extreme environments, onshore and offshore.
As a services integrator, the Group has developed a comprehensive service offering facilities and utilities management that allows it to provide customers with turnkey solutions.
The Group's customer base includes local or Western companies, very often major names in their sectors. These companies usually operate through local independent entities or joint ventures in the oil and gas, mining engineering and civil engineering and peacekeeping sectors.
The Group thus provides its customers with support services for their operating sites that are generally located in emerging countries or in difficult regions.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

In accordance with EC regulation No. 1606/2002 of July 19, 2002 of July 19, 2002, companies listed on a regulated European market must prepare, for periods commencing on or after January 1, 2005, their consolidated financial statements in accordance with IFRS (International Financial Reporting Standards), formerly referred to as IAS (International Accounting Standards).
The consolidated financial statements of Catering International & Services S.A. for fiscal 2019 and 2018 are in consequence prepared on the basis of IFRS.

There is no difference between the IASB IFRSs adopted by the EU and those applied by the Group.

The following standards, amendments or interpretations were issued by the IASB and adopted by the EU for application for periods commencing on or after January 1, 2019.

- Annual improvement cycles (2015-2017) for IAS 12 & 23, and IFRS 3 & 11
- Amendments to IFRS 19: "Plan amendment, curtailment or settlement"
- Amendments to IFRS 28: "Long-term interests in associates and joint ventures"
- Amendment to IFRS 9: "Prepayment features with negative compensation"
- IFRS 16: "Leases"
- IFRIC 23: "Uncertainty over income tax treatments"

The application of these standards, amendments and interpretations had no impact on the financial statements of the Group with the exception of IFRS 16: "Leases". The main impacts of this new standard are presented below under valuation methods.

No standard or interpretation has been applied in advance by the Group. No standard, amendment or interpretation was published by IASB or adopted by the EU unless their application was mandatory for periods beginning on or after January 1, 2019.

PRINCIPLES OF CONSOLIDATION

Basis of consolidation

Consolidation includes all companies controlled by Catering International & Services on an exclusive basis or over which Catering International & Services exercises a significant influence.

All subsidiaries and equity investments meeting such criteria are consolidated, even in cases where they account for a negligible influence on consolidated operations as a whole or if their operation is not destined to continue.

Consolidation methods

The financial statements of companies over which Catering International & Services exercises exclusive control are fully consolidated. Control, within the meaning of IFRS 10, is taken to mean the power to define and manage, directly or indirectly, the financing and operating policies of the company in order to obtain benefits from its activities. Control is generally presumed to exist if the Group holds more than half the voting rights of the company in question.

The companies over which the Company exercises a significant influence are accounted for by the equity method. It should be noted that at December 31, 2019, there were no subsidiaries in this latter category.

VALUATION METHODS

Presentation of financial statements

Under the option provided for by Revised IAS 1, CIS Group has chosen to present income and expense items recognised directly in equity, in accordance with other standards (foreign exchange gain / loss, changes in fair value of available-for-sale financial assets, changes in fair value of cash-flow hedges, etc.), in the “consolidated statement of comprehensive income” that is distinct from the income statement.

Definition of operating income

Operating income includes all income and expenses directly related to the ordinary activities of the Group, whether such income and expenses are recurring in nature or result from non-recurring decisions or operations. “Other operating income” and “Other operating expenses” includes a limited number of income and expense items described in note 5 to the consolidated financial statements.

Foreign currency translation

Transactions in foreign currency are translated at the exchange rate prevailing at the time of the transaction.
Payables and receivables in foreign currency are translated at the year-end exchange rate. The resulting foreign exchange gains and losses are recorded in income.
In compliance with IAS 29, the Group studies inflation trends in countries where it operates and for 2019 has not identified any hyperinflationary economy as defined by this standard, requiring a restatement approach to its financial statements.

The following translation methods are used for the financial statements of foreign subsidiaries:

Balance sheet items (not including equity translated at the historical exchange rate) are converted into euros at the year-end exchange rate.
Income statement items as well as income attributable to the Group presented under equity are translated according to the average exchange rate for the year. The difference between net income translated at the average rate and net income translated at the year-end rate is recorded in the consolidation reserves.

Current / non-current assets and liabilities

Assets to be realised, consumed or transferred within the scope of the normal operating cycle or within the twelve months following the year-end, are recognised under "current assets" as are assets held for sale and cash and cash equivalents.

All other assets are recognised under "non-current assets".

The liabilities to be realised within the scope of the normal operating cycle or within the twelve months following the year end, are recognised under "current liabilities".

All other liabilities are recognised under "non-current liabilities".

Stock option plan

Stock option plans may be established by the Group providing for settlement through CIS shares at price and exercise period conditions specific for each grant.

The definitive fair value of the services received in consideration for the grant of these options is measured in reference to their fair value on the grant date.

For the valuation of these options, the Group uses a binomial mathematical model. Total fair value determined according to this method is recognised on a straight-line basis over the vesting period. This expense is recognised in staff costs as a reverse entry for an increase in the consolidated reserves. When the option is exercised, the cash amount received by the Group for the exercise price is recognised under cash offset with a corresponding entry in consolidated reserves.

There are no stock option plans currently in force.

Treasury shares

When the Group purchases its own shares, the amount paid for the shares and the transaction costs directly attributable are recognised as a change in equity. The results of disposals of the shares are also charged directly to equity and as such are not recognised under income of the period.

Earnings per share

Basic earnings per share are calculated by dividing net income (attributable to the Group) by the number of shares outstanding at year-end.

Diluted earnings per share are calculated by dividing the net income (attributable to the Group), adjusted for the financial cost (net of taxes) of dilutive debt instruments, by the average number of outstanding shares at year-end, plus the average number of shares that, according to the treasury method would have been issued if all dilutive instruments issued had been converted (stock options or convertible bond).

The weighted average number of shares in issue is not calculated as the number of the only potentially dilutive securities, namely treasury shares, is too small to have an effect on indicator per share of any kind.

The dilutive effect of each convertible instrument is determined by seeking the maximum dilution of basic earnings per share.

Related party transactions

Related party transactions concern in particular transactions with:

- The legal entities controlling directly or indirectly, on an exclusive basis, through one or several intermediaries, or exercising a significant influence on the Group;
- The main executives of the Group.

Revenue recognition

According to the terms of IFRS 15, revenue is recognised for each contract signed in which the different performance obligations have been previously defined.

The transaction price is determined according to the contractual terms and measured at the fair value of the consideration received or receivable net of rebates and taxes.
The obligating event for recognition of income arises when the performance obligations have been fulfilled, which coincides with the transfer of title of the good or performance of the service.
The order book is measured in accordance with IFRS 15, and on that basis only contracts existing within the meaning of the standard are considered. The estimation of the transaction price uses the expected value method for payments receivable for the highly probable part of frequency based on the month preceding the measurement. At December 31, 2018 this was valued at US$584 million (compared to US$546 million at December 31, 2018).

Borrowing costs
In accordance with the guidelines of Revised IAS 23 applicable as from January 1, 2009, borrowing costs for investments in property, plant and equipment and intangible assets relating to projects undertaken after this date where the period for construction or preparation for their intended use or sale is more than one year must be included in the cost price of these assets.
Application of this standard has no impact on the financial statements of CIS Group.

Leases
As from January 1, 2019, the Group's financial statements include the impacts of the mandatory application of IFRS 16 "Leases" published on January 13, 2016 and replacing IAS 17.

a. Lessor
The standard has no impact on the current accounting treatment of the Group's sales contracts.

b. Lessee
The main impact of this standard is the recognition of all leases without making a distinction between finance leases and operating leases.

Any agreement which meets the definition of a lease results in recognition by the lessor of a lease liabilities at the present value of future lease payments and a right-of-use asset at an amount equal to the lease liability.

In accordance with the modified retrospective method, no comparative restatements of the financial statements of prior periods have been made.

The Group has elected not apply IFRS 16 to:
- leases of less 12 months or less; by extension and for the first-time application, leases of less than 12 months in progress on 1 January 2019 at expiring before December 31, 2019 are also excluded;
- leases for assets of limited value, and in particular office and telephoned equipment, computers and small computer equipment with at unit replacement value of less than US$5000;

In connection with its activity, the Group enters into lease agreements as a lessee for the purpose of leasing the following types of assets:
- offices;
- transport equipment;
- equipment.

Lease periods adopted based on the expected periods of use of the underlying assets, or:
- the fixed term of a customer contract which requires the lease

• 3 years if the asset concerns the management structure of the country or headquarters in France
or
• the fixed period of the lease agreement, if this is later

c. Impacts on the financial statements

At December 31, 2019, the main impacts of the application of IFRS 16 on the Groups financial statements were as follows:

- In the balance sheet: recognition of IFRS 16 right-of-use assets in the amount of €12,897,000 and an amortisation expense of (€4,129,000); determination of "IFRS 16 lease liabilities" of (€12,897,000) with an amortisation of €3,976,000.
- In the income statement: cancellation of a lease charge of €4,384,000, allowance for amortisation of IFRS 16 right-of-use assets of (€4,129,000), recognition of an interest expense on the "IFRS 16 lease liabilities" in the amount of (€408,000).
- The translation differences on the assets and liabilities between January 1, and December 31, were recognised under translation reserves for a net amount of zero.

Intangible assets

a. Goodwill

In accordance with revised IFRS 3, when control is acquired over businesses or companies, such business combinations are accounted for using the acquisition method.
Under this method, assets, liabilities and contingent liabilities of the acquired company that meet the definition of identifiable assets or liabilities are recognised at fair value on the acquisition date.

The difference between the acquisition cost of the business or securities of the company acquired, and the fair value of the assets, liabilities and contingent liabilities on the acquisition date is recorded in balance sheet assets under goodwill if positive and in the income statement for the year of acquisition if negative.

Acquisition costs must be recognised under expenses and the company may choose between the full or partial goodwill methods for each transaction.

Goodwill is tested for impairment every year or more frequently as soon as events or circumstances arise indicating that an impairment loss might be incurred. Such events or circumstances exist when material modifications occur that would call into question the substance of the initial investment over a sustained period.

For conducting impairment tests, goodwill is allocated to each cash generating unit (CGU) based on the organisation implemented by the Group. A CGU is defined as a homogeneous group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets.

The recoverable value of the CGU is equal to the higher between (i) its value in use measured according to the discounted cash flow method and (ii) its fair value minus the cost of sales.
If the recoverable value of the CGU is lower than the carrying value of its assets, the impairment loss is allocated in priority to goodwill. An impairment loss recognised on goodwill is reversible in nature and cannot be reversed.

To determine value in use, estimated future cash flows are discounted according to a rate reflecting current assessments of the time value of money and the specific risk for the asset or the CGU in question.

b. Other intangible assets

Intangible assets acquired separately are recognised at cost while those acquired through a business combination are recognised at fair value on the acquisition date. Finite life intangible assets are amortised over their useful lives:

	Useful life (in years)
Software	4
Usufruct of offices	10
Non-compete clause	5

Indefinite life intangible assets are not amortised and are tested annually for impairment at least once a year in accordance with IAS 36.

Property, plant and equipment

Property, plant, and equipment are carried at cost less accumulated depreciation. The depreciation of property, plant and equipment is calculated according to the straight-line method over the estimated useful life for the different categories of assets.
That are as follows:

	Useful life (in years)
Fixtures and improvements	10
Transport equipment	5
Office and computer equipment	3
Office furniture	5
Assets located at foreign sites	2 à 5 (according to the terms of customer contracts)

In the event of any internal or external indication of impairment, the Group will assess the recoverable value of the tangible assets and record an impairment loss if the net carrying value exceeds their recoverable value.

Inventories and work in progress

Inventories are measured (including transport cost (according to the weighted average cost method. However, for reasons relating to software applications or statutory requirements, where this method cannot be used, the FIFO (first in, first out) method is used, with a marginal impact on the measurement of inventory and consumables.
Furthermore, values used are adjusted for risks of expiration associated with such inventories.

Trade receivables

Trade receivables are recognised at face value. Trade receivables are, if appropriate, depreciated to take into account the collection risks.

Cash and cash equivalents

Cash includes cash on hand as well as short-term investments considered to be readily convertible to cash and subject to an insignificant risk to changes in value with regards to the criteria of IAS 7.
Overdrafts do not qualify as cash and cash equivalents and are recognised as current financial liabilities.
IAS 7.48 requires an entity to disclose the existence of any significant restricted cash balances that it holds but may not be used by the group, together with management's narrative commentary (this is the case, for example, for cash and cash equivalent balances held by a subsidiary operating in a country subject to foreign exchange controls or other restrictions).

Cash and cash equivalents have been translated into euros at the closing exchange rate at the end of the reporting period. The resulting translation differences are recognised in the income statement of the year as currency gains or losses.

Provisions for contingencies and expenses

In accordance with IAS 37 , a provision is recorded when there exists an obligation towards a third-party at the end of the reporting period, whether legal, contractual or constructive, resulting in a probable outflow of resources embodying economic benefits to settle the obligation, without receiving in exchange resources of a value at least equivalent to the latter expected after closing date.

Current and deferred tax

In accordance with IAS 12, the deferred taxes are determined according to the liability method for timing differences between the book values and the tax bases for the assets and liabilities items. They are not discounted and are measured using the official year-end tax rate which will be applicable as soon as the timing differences are reabsorbed. Deferred tax assets arising from timing differences and tax loss carryforwards are recognised when considered recoverable over the period of validity, taking into account the historical and forward-looking information.
It should be noted that no French tax sharing arrangements between the parent company and subsidiaries exist within the Group.

Evaluation of risks

The risks are of the same nature as those described section VI. “Risk factors and risk management procedures” of the Board of Directors’ management report on operations for the year ended 31/12/2019 as well as those mentioned herein in note 15.

3. GEOGRAPHIC SEGMENT INFORMATION

In accordance with IFRS 8, operating segments are those presented by management based on the Group’s internal reporting procedures. Because all Group revenue is generated outside of France, and it operates in a single business, segment information is presented by region as follows (€ thousands):

		2019	2018
AFRICA ALGERIA - BURKINA FASO - CAMEROUN - DR OF CONGO - GABON MALAWI - MALI - MAURITANIA - MOZAMBIQUE - NIGER - SENEGAL - SOMALIA - CHAD	Revenue	136,059	115,099
	COP	8,056	9,536
MIDDLE EAST / OCEANIA SAUDI ARABIA - UNITED ARAB EMIRATES - ERITREA	Revenue	10,467	13,614
	COP	(95)	466
EURASIA KAZAKHSTAN - MONGOLIA - RUSSIA	Revenue	75,823	58,058
	COP	1,078	(140)
AMERICAS BAHAMAS - BOLIVIA - BRAZIL	Revenue	43,376	37,391
	COP	1,087	138
REVENUE		**265,725**	**224,162**
CURRENT OPERATING PROFIT (COP)		**10,126**	**10,000**

The segment information is prepared according to the same accounting methods used by the Group for its IFRS consolidated financial statements. Current operating income by geographic segment includes headquarters overhead costs prorated according to the percentage of sales for the region. Segment information relating to assets and liabilities is not considered relevant.

4. ALLOWANCES AND REVERSAL OF PROVISIONS

Changes in provisions for impairment and reversals break down as follows (€ thousands):

	2019	2018
Provisions for collection risks for trade and other receivables	(63)	(191)
Operating allowances	(329)	(215)
Reversal of provisions for collection risks for trade and other receivables	80	255
Reversal of operating allowances	802	694
Provisions/reversals	**490**	**543**

5. OTHER FINANCIAL INCOME AND EXPENSES

Other operating income and expenses breaks down as follows (€ thousands):

	2019	2018
Profit from asset disposals	202	170
Changes in Group structure		
Miscellaneous operating income		
Payment differences	4	14
Compensation from other disputes		
Other operating income	**206**	**184**

	2019	2018
Customer disputes		
Labour disputes	(13)	(121)
Other lawsuit contingencies	(60)	(215)
Destruction of trade goods		
Penalties	(280)	(183)
Changes in Group structure		(32)
Impairment of goodwill		
Payment differences		
Other operating expenses	**(353)**	**(551)**

6. ANALYSIS OF NET FINANCIAL INCOME (EXPENSE)

Net financial expense breaks down as follows (€ thousands):

	2019	2018
Net proceeds from the disposal of marketable securities	2	
Income from cash equivalents	775	532
Interest expense on borrowings	(557)	(525)
IFRS 6 interest expenses	(408)	
Other interest and similar expenses	(297)	(293)
Other financial income	26	31
Net borrowing costs	**(459)**	**(255)**
Translation differences	637	665
Net financial expense	**178**	**410**

Because all the company's revenue is generated by international operations, it is subject to risks related to foreign exchange fluctuations, notably of the US dollar.
Procedures have been implemented accordingly to reduce the most likely exposures, mainly associated with cash flows in foreign currency generated by business operations.
In order to limit the foreign exchange risks, the expenses and income are generally denominated in the currency of the country of operation, thus maintaining a certain balance.
All borrowing costs are expensed in the period in which they are incurred.

7. CORPORATE INCOME TAX

- In accordance with IAS 12, the deferred taxes are determined according to the liability method for timing differences between the book values and the tax bases for the assets and liabilities items. They are not discounted and are measured using the official year-end tax rate which will be applicable as soon as the timing differences are reabsorbed.
- Deferred tax assets arising from timing differences and tax loss carryforwards are recognised when considered recoverable over the period of validity, taking into account the historical and forward-looking information.
- It should be noted that no French tax sharing arrangements between the parent company and subsidiaries exist within the Group.
- Tax losses of foreign subsidiaries are not recognised as tax assets.

The breakdown of the corporate tax in the income statement is as follows (€ thousands):

	2019	2018
Profit before tax	10,157	10,043
French tax rate of 28%	(2,844)	(2,812)
Impact of non-deductible expenses	(33)	(6)
Impact of operating country tax rates and tax bases	(1,125)	(1,700)
Corporate tax income (expense)	**(4,002)**	**(4,518)**

8. INTANGIBLE ASSETS

Intangible assets include the following items (€ thousands):

	31/12/2018	Acquisitions/ Allowances	Disposals / Reversals	Translation adjustments	Changes in Group structure	31/12/2019
Software	1,359	197	(1)	(2)	1	1,554
Goodwill	6,600			(125)	7,943	14,418
Non-compete clauses	2,300					2,300
Other intangible assets	405	23	(18)			410
Gross intangible assets	**10,664**	**220**	**(19)**	**(127)**	**7,944**	**18,682**
Amortisation of software	(1,038)	(107)	1	2	(2)	(1,144)
Amortisation of non-compete clauses	(2,300)					(2,300)
Amortisation of other intangible fixed assets	(283)	(43)	18			(308)
Amortisation, depreciation and impairment	**(3,621)**	**(150)**	**19**	**2**	**(2)**	**(3,752)**
Net intangible assets	**7,043**					**14,930**

CIS defines a cash flow generating unit as the lowest level within the entity at which the goodwill is monitored for internal management purposes, corresponding to the smallest identifiable group of assets that generates cash inflows largely independent of the cash inflows from other assets or groups of assets. For such purpose, CIS Group the country level as CGU.

Goodwill consists of:
- goodwill from the Algerian company, CIEPTAL acquired in 2006 in the amount of €6,600,000
- goodwill from the acquisition of the Brazilian companies, Alternativa & Beta, for which the definitive valuation was €7,943,000 at December 31, 2019.

This goodwill is tested for impairment annually based on the value of the corresponding CGUs.
The following assumptions were used to determine their value in use:

	ALGERIA		BRAZIL
	2019	**2018**	**2019**
Discount rate (WACC)	7.00%	7.00%	8.00%
Of which country risk premium	*8.00%*	*8.00%*	*8.00%*
Perpetuity growth rate	3.00%	3.00%	2.00%
Budget period	3 years	3 years	3 years

Furthermore, to prevent any risks associated with this valuation, a sensitivity analysis has been performed based on the following parameters:
• - 2 points of growth in sales
• -1 point of growth in the operating margin
• -2 points of growth in long-term cash flows.

This analysis did not indicate a recoverable value lower than the carrying value of the CGU.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment include the following items (€ thousands):

	31/12/2018	Acquisitions/ Allowances	Disposals / Reversals	Translation adjustments	Changes in Group structure	31/12/2019
IFRS 16 right-of-use assets		12,897		148		13,045
Buildings and living compounds	5,095	103		64	600	5,862
Plant, machinery and equipment	8,869	1,526	(396)	35	869	10,903
General equipment, fixtures and miscellaneous improvements	3,499	69		13	9	3,590
Transport equipment	5,581	922	(759)	56	132	5,932
Office and computer equipment	1,967	262	(35)	27	32	2,253
Tangible assets under construction	580	251		8	(599)	240
Gross property, plant and equipment	**25,591**	**16,030**	**(1,190)**	**351**	**1,043**	**41,825**
Amortisation of IFRS 16 right-of-use assets		(4,129)		7		(4,122)
Depreciation of buildings and living compounds	(2,409)	(237)	3	(30)		(2,673)
Depreciation of plant, machinery and equipment	(7,201)	(1,017)	300	(21)	(497)	(8,436)
Depreciation of general equipment, fixtures and miscellaneous improvements	(2,605)	(331)		(10)	(4)	(2,950)
Depreciation of transport equipment	(4,535)	(614)	694	(35)	(57)	(4,547)
Depreciation of office and computer equipment	(1,434)	(233)	31	(5)	(118)	(1,759)
Amortisation, depreciation and impairment	**(18,184)**	**(6,561)**	**1,028**	**(94)**	**(676)**	**(24,487)**
Net property, plant and equipment	**7,407**					**17,338**

10. NON-CURRENT FINANCIAL ASSETS

Financial assets include the following (€ thousands):

	31/12/2018	Increase	Decrease	Translation adjustments	Changes in Group structure	31/12/2019
Deposits and guarantees	736	420	(448)	11	13	732
Loans and financial assets	3	29	(26)			6
Net financial assets	**739**	**449**	**(474)**	**11**	**13**	**738**

11. INVENTORIES

Inventories consisting primarily of food supplies break down as follows (€ thousands):

	31/12/2019	31/12/2018
Inventory of trade goods	19,306	11,743
Provisions for impairment		
Net inventories	**19,306**	**11,743**

12. TRADE RECEIVABLES

Trade receivables break down as follows (€ thousands):

	31/12/2019	31/12/2018
Trade receivables	61,498	45,398
Doubtful trade receivables	(2,187)	(2,206)
Net trade receivables	**59,311**	**43,192**

13. OTHER CURRENT ASSETS

Other current assets break down as follows (€ thousands):

	31/12/2019	31/12/2018
Advances and instalments paid on orders	2,595	1,265
Other receivables	6,513	4,492
Provisions for doubtful trade receivables		
Prepaid expenses	2,340	1,514
Other current assets	**11,448**	**7,271**

14. CASH AND CASH EQUIVALENTS

Other current assets break down as follows (€ thousands):

	31/12/2019	31/12/2018
Unrestricted cash	18,780	16,104
Restricted cash not available for use by the group	34,619	33,116
Income from cash and cash equivalents	**53,399**	**49,220**

Restricted cash not available for use by the Group corresponds to the funds blocked in Algeria.

CNAS paid dividends to CIS SA in 2007, 2008 and 2009. The Bank of Algeria, considering that these transfers of funds were made in violation of laws and regulations governing foreign exchange and the movement of capital, initiated legal proceedings against the bank that executed these transfers and CNAS respectively.

On November 9, 2016 the Court of Appeals of Algiers nevertheless rendered a definitive ruling dismissing this case, following its referral by the Algerian Supreme Court.
On that basis, CNAS thereupon requested the Bank of Algeria to lift the restriction on the international transfer of the funds. This was request executed by a letter dated February 15, 2017.

On February 1, 2017, the General Meeting of CNAS voted to distribute a dividend of DZD 4 billion and requested its bank to transfer the funds accordingly to CIS SA. The bank initiated the transfer and CNAS paid the corresponding withholding tax to the Algerian tax authorities.

Despite the definitive ruling by the Algerian Supreme Court, the country's highest jurisdiction, the Bank of Algeria blocked the request to transfer the dividends by a decision dated May 7, 2017, in contradiction of the terms of its own letter of February 15, 2017.

CNAS thereupon referred the matter to the Council of State to obtain the annulment of the decision of the Bank of Algeria and the authorisation to transfer the dividends, in accordance with the ruling of the Court of Appeals of Algiers in November 2016. By its decision of November 14, 2019, without ruling on the merits, the Council of State dismissed the petitions of CNAS, considering the appeal as time-barred on the grounds that it was introduced after the legal deadlines.
These difficulties have delayed for several years the transfer of dividends from CNAS to CIS SA.

CIS SA considers that all of these obstacles created by the Bank of Algeria constitute a violation of its rights as a foreign investor and that this decision violates the provisions of the bilateral treaty signed on February 13, 1993 between France and Algeria, "Agreement on the Promotion and Reciprocal Protection of Investments".

In addition, it should be noted that the decision to distribute the dividends of February 1, 2017 remains valid even if the transfer of funds was not made within the period of nine months from the closing date of the accounts as provided for by article 724 of the Algerian commercial code. This is because only the decision of the Bank of Algeria to prohibit the transfer of the funds to CIS SA has prevented the compliance with the rules in force, whereas the transfer order was properly issued within the legal timeframe.

The boards of CIS SA and CNAS would prefer the option of reaching an amicable settlement.

15. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

Provisions and other non-current liabilities break down as follows (€ thousands):

	31/12/2018	Allowances	Reversals (provisions used in the period)	Reversals (unused provisions)	Translation adjustments	Change in Group structure of consolidated operations	31/12/2019
Labour disputes	412	100		(41)			471
Other lawsuit contingencies for subsidiaries	843	211	(57)	(704)		(14)	279
Provisions for pension liabilities	186	32		(1)			217
Provisions and other non-current liabilities	**1,441**	**343**	**(57)**	**(746)**	**0**	**(14)**	**967**

16. CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities consist of loans obtained to finance the purchase of equipment and working capital required to operate new contracts signed in the operating countries. 70% of the acquisition of Top Service in the Democratic Republic of Congo were financed through a bank loan.
75% of the acquisitions of ALTERNATIVA and BETA were also financed through bank loans, with the balance from equity.

Banque	Net carrying value in € thousands at 31/12/2018	Net carrying value in € thousands at 31/12/2019	Nominal amount in € thousands	Rate	Maturity < 1 yr.	Maturity >2 and < 5 yrs.	Maturity > 5 yrs.
BNP (France)	9,664	8,305	10,000	1.80%	1,383	6,922	
Société Générale (France)	755		1,510	1.95%			
CEPAC (France)	3,000	13,000	13,000	1.03%	1,954	11,046	
Itau (Brazil)	450	443	443	7.80%	443		
Itau (Brazil)	675	664	664	7.80%	664		
Itau (Brazil)	1,125	1,107	1,107	7.92%	1,107		
BNP (Brazil)		2,215	2,215	6.96%	2,215		
Sberbank (Russia)	502		502	9.60%			
Altyn Bank (Kazakhstan)	228		228	11.25%			
IFRS 16 lease liabilities		9,076	12,897		3,638	5,438	
Bank borrowings	**16,399**	**34,810**			**11,404**	**23,406**	**0**
Bank overdrafts	804	1,023			1,023		
Current accounts	645	698			698		
Long-term debt	**17,848**	**36,531**			**13,125**	**23,406**	**0**

17. OTHER CURRENT LIABILITIES

Other current liabilities include the following (€ thousands):

	31/12/2019	31/12/2018
Advances and down-payments on orders in progress	8,718	946
Other tax and social security payables	16,470	13,493
Other payables	1,673	33
Other current liabilities	**26,861**	**14,472**

18. SHAREHOLDERS' EQUITY

As of December 31, 2019, the share capital of Catering International & Services was composed of 8,041,040 shares with a par value of €0.20.

At December 31, 2019, the Company held 203,869 treasury shares for an amount of €3,239,000 recognised as a deduction from equity. For information, at December 31, 2018, 191,245 own shares valued at €3,096,000 were held in treasury and deducted in consequence from equity.

In the financial year, the General Meeting decided to distribute €965,000 in dividends.

19. RELATED PARTY TRANSACTIONS

- Pursuant to the authorisation of the Board of Directors of April 10, 2018, your company concluded a 9-year commercial lease for professional use with Financière Régis Arnoux SAS in exchange for monthly rental payments of €45,000 excluding charges. These offices were previously leased from SCPI Placement Pierre before being acquired by FINRA. For fiscal 2019, under the terms of this agreement, €46,000 was recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of April 10, 2018, your company concluded a 9-year commercial lease for professional use with Financière Régis Arnoux SAS in exchange for monthly rental payments of €87,000 excluding charges. These offices were previously leased from SCPI Placement Pierre before being acquired by FINRA. For fiscal 2019, under the terms of this agreement, €88,000 was recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of April 10, 2018, your company concluded a 9-year commercial lease for professional use with Financière Régis Arnoux SAS in exchange for monthly rental payments of €99,000 excluding charges. This lease agreement cancels and replaces the previous agreement authorised by the Board of Directors on May 26, 2016. For fiscal 2019, under the terms of this agreement, expenses of €101,000 were recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of March 28, 2013, your company concluded a service agreement with Frédérique Salamon. Under the terms of this agreement, Frédérique Salamon intervenes as a consultant to the Chairman, notably in the area of strategy for the Group development and the analysis of external growth opportunities. For fiscal 2019, under the terms of this agreement, expenses of €23,000 excluding tax were recognised for fees. This agreement expired on March 31, 2019.

- Pursuant to the authorisation of the Board of Directors of September 16, 2015, your company concluded a 12-year commercial lease for professional use with SCI BORELY in exchange for adjustable annual rental payments of €32,000 excluding charges. For fiscal 2019, under the terms of this agreement, expenses of €33,000 were recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of July 4, 2013, your company concluded a service agreement with the company Marine Firminy. Under the terms of this agreement, the company Marine Firminy will provide your company with commercial and technical assistance for the development and diversification of your company's activities for services to the armed forces. For fiscal 2019, under the terms of this agreement, no expense was recorded.

- Pursuant to the authorisation of your Board of Directors on April 16, 2019, your company entered into a renewable agreement for the purpose of coordination and assistance for 12-months with Financière Régis Arnoux for the purpose of strengthening the Group's policy, notably in the administrative, strategic, industrial and commercial areas. For fiscal 2019, under the terms of this agreement, expenses of €142,000 excluding tax were recognised for fees.

20. OFF-BALANCE-SHEET CONTINGENCIES AND COMMITMENTS

Commitments given at December 31, 2019 amounted to €16,517,000 of which:
- performance bonds €13,256,000
- advance payment guarantees €2,088,000
- tender bonds €850,000
- other guarantees €323,000

The maturities of these guarantees range from 1 to 5 years.

21. PENSION OBLIGATIONS

A provision for retirement benefits is recorded in the balance sheet for €199,000 relating exclusively to headquarters and expatriate staff. Benefits for local staff are not material in light of less favourable regulations, high turnover and the frequent use of fixed-term employment contracts.
The Group records the total amount of its benefit obligations for retirement, early retirement, retirement severance payments, social security, long-service awards, contingency fund and other similar benefits both for the personnel currently working and retired personnel, net of the plan assets and the amounts not recognised in accordance with the provisions of IAS 19.
For the defined contribution plans, payments made by the Group are expensed in the period to which they relate.
For defined benefit plans, the costs are estimated using the projected unit credit method.
Future employee benefit obligations are measured on the basis of assumptions about wage escalation trends, retirement age and probability of payment. These future payments are taken to their present value using a specific discount rate.
The actuarial gains and losses (change in benefits and financial assets due to the changes in assumptions and experience adjustments) are recognised under other comprehensive income.

Employee benefit costs are divided into 2 categories:
- A charge from the reversal of the measurement of present value (net of return on plan assets) recorded under financial income and expense;
- Operating expenses corresponding to service costs;

Assumptions used for the calculation are as follows:
- A retirement age of 65
- Average decrease in career profile
- Average staff turnover: 5%
- Salary escalation: 1.5% per year
- Discount rate: 1.5% per year
- Separate mortality ratios based on distinct mortality tables for men and women (Reference: Insee TD 2007-2009 Table)

22. STAFF

Changes in staff costs and the workforce are as follows (staff costs in € thousands):

	2019			2018		
	Headcount	Salaries and social contributions	External staff costs	Headcount	Salaries and social contributions	External staff costs
Headquarters staff	46	5,453		47	6,070	
Expatriate staff						
Local staff	10,406	80,923		9,436	69,023	
Total CIS staff	**10,452**	**86,376**	**0**	**9,483**	**75,093**	**0**
Local external staff	1,305	33	13,480	1,003	197	11,129
Workforce managed by the Group	**11,757**	**86,409**	**13,480**	**10,486**	**75,290**	**11,129**

23. CONSOLIDATED COMPANIES

The following companies were consolidated:

Company	Consolidation method	Ownership interests (%) of the Group	
		2019	2018
CIS	Parent company	100%	100%
ARCTIC CATERING SERVICES (ACS)	Full consolidation	100%	100%
CIS CAMEROON	Full consolidation	100%	100%
CIS CHAD	Full consolidation	100%	100%
CIS BOLIVIA	Full consolidation	99%	99%
CIS BRAZIL	Full consolidation	100%	100%
CATERING NORTH AFRICA SERVICES	Full consolidation	100%	100%
CIS NEW CALEDONIA	Full consolidation	60%	60%
CIS PERU [1]	Unconsolidated	0%	100%

[1] The liquidation of CIS Peru, a wholly-owned subsidiary of CIS was completed in July 2019.

Company	Consolidation method	Ownership interests (%) of the Group	
		2019	2018
CIEPTAL	Full consolidation	100%	100%
ICS GUINEA CONAKRY	Full consolidation	100%	100%
CISY YEMEN	Full consolidation	50%	50%
CAC KAZAKHSTAN	Full consolidation	100%	100%
CIS NIGER	Full consolidation	100%	100%
CIS BURKINA FASO	Full consolidation	100%	100%
GCS GUINEA CONAKRY	Full consolidation	100%	100%
CNA	Full consolidation	100%	100%
MOHJAT AL-IRAQ GENERAL TRADE	Full consolidation	100%	100%
CIS MIDDLE EAST	Full consolidation	100%	100%
CIS DOMINICANA	Full consolidation	100%	100%
CIS MALI	Full consolidation	100%	100%
CIS NACALA	Full consolidation	80%	80%
SUPPORT SERVICES MONGOLIA	Full consolidation	49%	49%
CATER CONGO	Full consolidation	100%	100%
CIS MOCAMBIQUE	Full consolidation	80%	80%
CIS ARABIA	Full consolidation	55%	55%
CIS TURQUIE (2)	Unconsolidated	0%	55%
CIS MEA	Full consolidation	100%	100%
TSC RDC	Full consolidation	100%	100%
CIS KOWEIT	Full consolidation	94%	94%
ALTERNATIVA (3)	Full consolidation	100%	-
BETA (3)	Full consolidation	100%	-
CIS KASHAGAN (4)	Full consolidation	55%	-
CIS MALAWI (5)	Full consolidation	100%	-
CIS SENEGAL (6)	Full consolidation	100%	-
CSS CONGO (7)	Full consolidation	49%	-
CIS GABON (8)	Full consolidation	100%	-
ISC CAMEROUN (9)	Full consolidation	100%	-

(2) The liquidation of CIS Turquie, a wholly-owned subsidiary of CIS was completed in April 2019.
(3) 100% of the share capital of Alternativa and Beta were acquired by CIS Brasil on May 3, 2019 which were fully consolidated as of that date.
(4) CIS Kashagan is a 55%-held subsidiary of CAC Kazakhstan, consolidated as from March 2019.
(5) CIS Malawi is a wholly-owned subsidiary of CIS, consolidated as from March 2019.
(6) CIS Sénégal is a wholly-owned subsidiary of CIS , consolidated as from April 2019.
(7) CSS Congo is a wholly-owned subsidiary of CIS, consolidated as from July 2019.
(8) CIS Gabon is a wholly-owned subsidiary of CIS, consolidated as from August 2019.
(9) ISC Cameroun is a wholly-owned subsidiary of CIS, consolidated as from December 2019.

The Yemeni company CISY, the Mongolian company Support Services Mongolia as well as the Congolese company, CSS Congo, were fully consolidated as control has been given to the parent company CIS, even though CIS SA's percentages of ownership interest are respectively 50%, 49% and 49%.
The notion of control is analysed in reference to the criteria defined by IFRS 10, and namely:
• CIS SA has power over CISY, SSM and CSS,
• CIS SA has exposure to variable returns from its involvement with the CISY, SSM and CSS,
• CIS SA has the ability to use its power over CISY, SSM and CSS to affect the amount of these returns.

24. AUDITORS' FEES

Group Auditors:

AUDIT CONSEIL EXPERTISE, SAS
MEMBER OF PKF INTERNATIONAL
17, boulevard Cieussa
13 007 Marseille

SYREC
Prado Beach
59, promenade Georges Pompidou
13 272 Marseille

Fees recognised in the period (€ thousands):

	Audit Conseil Expertise		SYREC		Other	
	FY 2019	**FY 2018**	**FY 2019**	**FY 2018**	**FY 2019**	**FY 2018**
	Amount excl. VAT	Amount excl. VAT	Amount excl. VAT	Amount excl. VAT	Amount excl. VAT	Amount excl. VAT
Statutory auditing (parent company, consolidated accounts and subsidiaries)	49,3	48,3	49,3	48,3	188,2	166,9
Service other than account certification		4,8	4,6	12,0	7,5	7,5
Total fees	**49,3**	**53,1**	**53,9**	**60,3**	**195,7**	**174,4**

25. SUBSEQUENT EVENTS

The Group implemented a unit to monitor the Coronavirus epidemic, Covid-19,test with defining at the Group level the policies for information, prevention and protection in order to guarantee the safety of all its customers, partners and employees as well as to ensure the continuity of its operations.

The impacts linked to the spread of Covid-19 which may be expected to adversely effect on the economic and financial environment and the outlook for the upcoming year, are not measurable at the present date based on the recent nature of this development and the level of general uncertainties.

This post-closing event nevertheless has no impact on the annual financial statements for 2019.

SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

CATERING INTERNATIONAL & SERVICES **Income statement** (1/2) (€ thousands)		Financial year Y ended 31/12/2019			Y-1 at 31/12/2018
		France	Export	Total	
OPERATING REVENUES	Sales of goods held for resale	0.0	0.0	0.0	0.0
	Sold production: goods	0.0	0.0	0.0	0.0
	Sold production: services	0.0	34,278.1	34,278.1	23,844.0
	Net sales	**0.0**	**34,278.1**	**34,278.1**	**23,844.0**
	Change in finished goods and in-progress inventory			0.0	0.0
	Capitalised production			0.0	0.0
	Operating grants			0.0	0.0
	Reversals of depreciation, amortisation and provisions and expense reclassifications			743.2	699.9
	Other income			202.3	0.0
	Total operating revenue (I)			**35,223.6**	**24,543.9**
OPERATING EXPENSES	Purchase of trade goods			0.0	0.0
	Changes in inventories (trade goods)			0.0	0.0
	Purchase of raw material and other supplies			12,232.5	9,567.0
	Changes in inventories (purchase of raw material and other supplies)			133.2	(923.4)
	Other purchases and external charges			14,918.3	12,023.0
	Taxes and similar payments (other than on income)			763.3	782.0
	Wages and salaries			5,553.0	5,813.8
	Social security contributions			2,223.2	2,322.1
	OPERATING ALLOWANCES: Fixed assets depreciation allowance			251.8	323.5
	OPERATING ALLOWANCES: Provisions for losses in value of fixed assets			0.0	0.0
	OPERATING ALLOWANCES: Provision for losses on current assets			1,163.2	936.0
	OPERATING ALLOWANCES: Provisions for contingencies and expenses			2,086.8	745.1
	Other expenses			1,003.3	413.4
	Total operating expenses (II)			**40,328.5**	**32,002.7**
	1. OPERATING PROFIT (LOSS) (I-II)			**(5,105.0)**	**(7,458.7)**
JOINT OPERATIONS	**Profits attributed or losses transferred (III)**			0.0	**0.0**
	Loss incurred or transferred profit (IV)			0.0	**0.0**

CATERING INTERNATIONAL & SERVICES Income Statement (2/2) (€ thousands)		Financial year Y ended 31/12/2019	Y-1 at 31/12/2018
FINANCIAL INCOME	Financial income from equity interests	7,598.0	7,990.3
	Income from other securities and long-term receivables	0.0	0.0
	Other interest and similar income	38.6	25.2
	Reversals of provisions and expense reclassifications	2,781.3	1,053.7
	Foreign exchanges gains	526.2	1,041.5
	Net gain from the disposal of marketable securities	0.0	0.0
	Total financial income (V)	**10,944.0**	**10,110.7**
FINANCIAL EXPENSES	Allowances for amortisation and reserves	734.4	1,993.3
	Interest and similar expenses	399.8	415.2
	Foreign exchange losses	165.2	434.0
	Net losses from the disposal of marketable securities	0.4	91.2
	Total financial expense (VI)	**1,299.7**	**2,933.6**
	2. NET FINANCIAL PROFIT / (EXPENSE) (V-VI)	**9,644.3**	**7,177.1**
	3. PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL ITEMS (I-II+III-IV+V-VI)	**4,539.3**	**(281.7)**
EXCEPTIONAL INCOME	Exceptional income from non-capital transactions	1.3	106.9
	Exceptional income from capital transactions	11.8	13.7
	Reversals of provisions and expense reclassifications	0.0	0.0
	Total exceptional income (VII)	**13.1**	**120.6**
EXCEPTIONAL EXPENSES	Exceptional expenses on non-capital transactions	54.8	377.6
	Exceptional expenses on capital transactions	940.8	12.1
	Exceptional appropriations for amortisations and reserves	0.0	0.0
	Total exceptional expenses (VIII)	**995.6**	**389.7**
	4. NET EXCEPTIONAL ITEMS (V-VI)	**(982.5)**	**(269.0)**
	Employee profit sharing (IX)	**0.0**	**0.0**
	Income tax expense (X)	**552.8**	**109.2**
	TOTAL REVENUES (I+III+V+VII)	**46,180.7**	**34,775.3**
	TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	**43,176.6**	**35,435.2**
	5. PROFIT OR LOSS (Total revenues - Total expense)	**3,004.0**	**(659.9)**

CATERING INTERNATIONAL & SERVICES Balance Sheet - Assets (€ thousands)			Financial year Y ended 31/12/2019			Y-1 at 31/12/2018
			Gross	Depreciation, amortisation, provisions	Net	Net
		Uncalled subscribed capital (I)	**0.0**	**0.0**	**0.0**	**0.0**
NON-CURRENT ASSETS	INTANGIBLE ASSETS	Start-up costs	0.0	0.0	0.0	0.0
		Research and development expenditures	0.0	0.0	0.0	0.0
		Concessions, patents and similar rights	656.7	601.3	55.4	84.4
		Goodwill	0.0	0.0	0.0	0.0
		Other intangible assets	2,700.5	2,602.8	97.7	118.5
		Advances and prepayments on intangible assets	0.0	0.0	0.0	0.0
	PROPERTY, PLANT AND EQUIPMENT	Land	0.0	0.0	0.0	0.0
		Buildings	0.0	0.0	0.0	0.0
		Plant, machinery and equipment	333.4	309.2	24.2	89.3
		Other tangible assets	3,286.7	2,918.0	368.7	420.1
		Tangible assets under construction	239.8	0.0	239.8	0.0
		Advances and deposits	0.0	0.0	0.0	0.0
	NON-CURRENT FINANCIAL ASSETS	Equity-accounted investments	0.0	0.0	0.0	0.0
		Other investments	11,063.5	686.0	10,377.5	10,328.1
		Investment-related receivables	5,000.0	0.0	5,000.0	0.0
		Other fixed securities	0.5	0.0	0.5	0.5
		Loans	0.0	0.0	0.0	0.0
		Other financial assets	87.3	0.0	87.3	63.4
		TOTAL (II)	**23,368.3**	**7,117.3**	**16,251.1**	**11,104.2**
CURRENT ASSETS	INVENTORIES	Raw materials and supplies	2,770.6	0.0	2,770.6	2,903.8
		Work-in-progress: goods	0.0	0.0	0.0	0.0
		Work-in-progress: services	0.0	0.0	0.0	0.0
		Semi-finished and finished products	0.0	0.0	0.0	0.0
		Trade goods	0.0	0.0	0.0	0.0
		Advances and instalments paid on orders	292.9	0.0	292.9	151.2
	RECEIVABLES	Trade receivables and related accounts	4,876.2	382.2	4,494.0	3,525.3
		Other receivables	41,384.5	6,066.0	35,318.5	32,901.2
		Subscribed capital called and unpaid	0.0	0.0	0.0	0.0
	MISCEL-LANEOUS	Marketable securities	3,240.5	528.0	2,712.5	1,752.8
		Cash and cash equivalents	6,559.3	0.0	6,559.3	2,648.4
ACCRUAL ACCOUNTS		Prepaid expenses	378.9	0.0	378.9	475.3
		TOTAL (III)	**59,502.9**	**6,976.2**	**52,526.7**	**44,358.1**
		Charges to be spread over several periods (IV)	**0.0**		**0.0**	**0.0**
		Bond redemption premiums (V)	**0.0**		**0.0**	**0.0**
		Unrealised exchange losses (VI)	**734.4**		**734.4**	**1,032.4**
		TOTAL (I to VI)	**83,605.6**	**14,093.5**	**69,512.1**	**56,494.6**

CATERING INTERNATIONAL & SERVICES Balance Sheet - Equity & Liabilities (€ thousands)		Financial year Y ended 31/12/2019	Y-1 at 31/12/2018
SHAREHOLDERS' EQUITY	Share capital or individual share	1,608.2	1,608.2
	Additional paid-in capital	1,500.7	1,500.7
	Revaluation difference	0.0	0.0
	Legal reserve	160.8	160.8
	Statutory or contractual reserves	0.0	0.0
	Tax-based reserves	0.0	0.0
	Other reserves	21,574.1	23,199.0
	Retained earnings	0.0	0.0
	Annual profit or loss	**3,004.0**	**(659.9)**
	Investment grants	0.0	0.0
	Tax-driven provisions	0.0	0.0
	TOTAL (I)	**27,847.9**	**25,808.8**
OTHER EQUITY	Proceeds of issuance of non-voting shares	0.0	0.0
	Advances on conditions	0.0	0.0
	TOTAL (II)	**0.0**	**0.0**
PROVISIONS FOR CONTINGENCIES AND EXPENSES	Provision for contingencies	3,865.0	2,141.7
	Provisions for expenses	198.7	184.4
	TOTAL (III)	**4,063.7**	**2,326.1**
PAYABLES	Convertible bonds	0.0	0.0
	Other bond loans	0.0	0.0
	Bank borrowings	21,693.3	14,142.0
	Other borrowings and financial liabilities	4,185.8	4,127.9
	Advances and down-payments on orders in progress	248.0	0.0
	Trade payables and related accounts	8,296.7	7,648.5
	Tax and social security payables	2,448.5	1,948.7
	Payables to suppliers of fixed assets and related accounts	15.2	15.2
	Other payables	341.8	123.3
ACCRUAL ACCOUNTS	Deferred revenue	0.0	0.0
	TOTAL (IV)	**37,229.3**	**28,005.7**
	Unrealised exchange gains (V)	**371.2**	**354.1**
	TOTAL (I to V)	**69,512.1**	**56,494.6**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Notes to the separate parent company financial statements before the income appropriation for the year with total assets of €69,512,100 and an income statement presented in list form showing revenue of €34,278,100 and a profit of €3,004,000.
The financial period runs for twelve months from January 1, to December 31, 2019.
The notes and tables presented below are an integral part of the separate parent company financial statements.
The separate parent company financial statements of CIS for the year ended December 31, 2019 were approved by the Board of Directors on April 23, 2020.

1. ANNUAL HIGHLIGHTS

None.

2. SIGNIFICANT ACCOUNTING POLICIES

General principles and policies
The separate parent company financial statements for the period have been prepared and presented in accordance with the general principles of conservatism, the time period concept and going concern.
For the recognition and measurement of balance sheet items, the historical cost method has been applied.
The financial statements have been drawn up in accordance with Regulation 2018-07 of December 10, 2018 of the French accounting standard setter (*Autorité des Normes Comptables* or ANC) with respect to French GAAP, and approved by the decision of December 26, 2018 (*Journal Officiel* of December 30, 2018)
Other regulations applied included CRC regulation 2002-10 for the depreciation, amortisation and impairment of assets and amended by CRC regulation 2003-07 and CRC regulation 2004-06 on the definition, recognition and measurement of assets.

Consistency principle
The methods of measurement used for this period are the same as for the previous year.
No assets meet the breakdown criteria in the financial statements for the period ended December 31, 2019
Depreciation and amortisation periods for foreign operations are based on their useful lives defined according to the terms of the contracts.

Assets and accounting methods
The main accounting methods applied are as follows:

- **Intangible assets**
  Intangible assets are comprised mainly of:
  - software amortised over 4 years;
  - usufruct of offices amortised over 10 years;
  - non-compete clauses signed with partners amortised over 5 years.

- **Property, plant and equipment**
  Property, plant and equipment are recorded at acquisition cost (purchase price and related expenses, though excluding expenses incurred in their acquisition).

- **Depreciation**

  Depreciation is calculated on a straight-line basis according to their useful lives.
  Useful lives for these assets are as a general rule as follows:
  - fixtures and improvements .... 10 years
  - transport equipment .... 5 years
  - office and computer equipment .... 3 years
  - office furniture .... 5 years
  - assets at foreign sites .... 2 to 5 years (according to the term of the contracts)

- **Financial assets**

  Equity investments, as well as the other financial assets are recognised at their purchase price, excluding incidental expenses.
  The financial assets are written down, when appropriate, by recording a provision to take into account their market value at year end. This value is usually determined in reference to the share of equity held in the companies concerned, which may be adjusted by taking into account discounted cash flows based on a three-year business plan and including a terminal value.

- **Inventories and work in progress**

  Inventories are measured (including transport cost) according to the weighted average cost method. However, for reasons relating to software applications or statutory requirements, where this method cannot be used, the FIFO (first in, first out) method is used, with a marginal impact on the measurement of inventory and consumables.
  Furthermore, values used are adjusted for risks of expiration associated with such inventories.

- **Receivables and payables**

  Receivables and payables are recognised at face value.
  A provision for impairment is recorded when the economic value or realisable value of a receivable is lower than the carrying amount.

- **Foreign currency transactions**

  Receivables and payables in foreign currency are translated into euros at the closing exchange rate at the end of the reporting period.
  Resulting translation differences are recorded in the balance sheet under “unrealised exchange losses and gains”. and a provision is recorded for the unrealised exchange losses.

- **Marketable securities**

  Marketable securities are measured at acquisition cost excluding expenses incurred in their acquisition.

  In the case of the transfer of a block of shares of the same class conferring the same rights, their value has been estimated at the weighted average purchase price.

  Treasury shares held by CIS are recorded as marketable securities.
  An impairment charge is recognised determined in reference to share price trends.

ADDITIONAL INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT

FIXED ASSETS - GROSS VALUES (€ thousands)

	Amount at the beginning of the financial year	Increase	Decrease	Amount at the end of the financial year
INTANGIBLE ASSETS				
Software	656.7	0.0	0.0	656.7
Goodwill	0.0	0.0	0.0	0.0
Other intangible assets	400.5	18.5	18.5	400.5
Non-compete clauses	2,300.0	0.0	0.0	2,300.0
Total	**3,357.2**	**18.5**	**18.5**	**3,357.2**
PROPERTY, PLANT AND EQUIPMENT				
Construction of living compounds	0.0	0.0	0.0	0.0
Plant, machinery and equipment	361.7	7.5	35.8	333.4
General equipment, fixtures and miscellaneous improvements	1,678.7	0.0	0.0	1,678.7
Transport equipment	1,059.0	43.1	58.5	1,043.6
Office and computer equipment	557.7	24.5	17.8	564.4
Tangible assets under construction	0.0	239.8	0.0	239.8
Total	**3,657.0**	**314.9**	**112,1**	**3,859.9**
FINANCIAL ASSETS				
Equity investments	11,946.8	49.5	932.7	11,063.5
Other fixed securities	0.5	0.0	0.0	0.5
Investment-related receivables	0.0	5,000.0	0.0	5,000.0
Loans	0.0	0.0	0.0	0.0
Deposits & security paid	63.4	32.4	8.4	87.3
Total	**12,010.7**	**5,081.8**	**941.2**	**16,151.3**
TOTAL	**19,024.9**	**5,415.2**	**1,071.7**	**23,368.3**

AMORTISATIONS (€ thousands)

	Amount at the beginning of the financial year	Increase	Decrease	Amount at the end of the financial year
INTANGIBLE ASSETS				
Software	572.3	29.0	0.0	601.3
Goodwill	0.0	0.0	0.0	0.0
Other intangible assets	282.0	39.3	18.5	302.8
Non-compete clauses	2,300.0	0.0	0.0	2,300.0
Total	**3,154.3**	**68.3**	**18.5**	**3,204.1**
PROPERTY, PLANT AND EQUIPMENT				
Construction of living compounds	0.0	0.0	0.0	0.0
Plant, machinery and equipment	272.4	64.6	27.8	309.2
General equipment, fixtures and miscellaneous improvements	1,309.3	79.6	0.0	1,389.0
Transport equipment	1,050.9	12.9	58.5	1,005.3
Office and computer equipment	515.1	26.4	17.8	523.7
Total	**3,147.7**	**183.5**	**104.1**	**3,227.2**
TOTAL	**6,302.0**	**251.8**	**122.6**	**6,431.3**

PROVISIONS (€ thousands)

	Amount at the beginning of the year	Increase	Decrease	Amount at the end of the year
PROVISIONS FOR CONTINGENCIES AND EXPENSES				
Disputes [1]	1,109.3	2 072.5	51.2	3,130.6
For foreign exchange losses	1,032.4	734.4	1,032.4	734.4
For pension and similar obligations	184.4	14.3	0.0	198.7
Total	**2,326.1**	**2,821.2**	**1,083.6**	**4,063.7**
PROVISIONS FOR IMPAIRMENT				
For equity investments	1,618.7	0.0	932.7	686.0
For trade receivables	375.0	7.2	0.0	382.2
For current accounts	5,602.0	1,156.0	692.0	6,066.0
For other receivables	0.0	0.0	0.0	0.0
For treasury shares	1,344.2	0.0	816.2	528.0
Total	**8,939.9**	**1,163.2**	**2,440.9**	**7,662.2**
TOTAL	**11,266.0**	**3,984.4**	**3,524.5**	**11,725.9**

[1] The reversal of €51,200, the full amount of which was not used.

ACCOUNTS RECEIVABLE AND PAYABLE AGED TRIAL BALANCE (€ thousands)

RECEIVABLES	Gross amount	Of which up to a maximum of 1 year	Of which more than more than 1 year
NON-CURRENT ASSETS			
Equity investments	11,063.5		11,063.5
Investment-related receivables	5,000.0		5,000.0
Loans and other financial assets	0.5		0.5
Deposits & guarantees paid	87.3		87.3
CURRENT ASSETS			
Doubtful receivables	382.2	382.2	
Other trade receivables	4,494.0	4,494.0	
Employee and related receivables	43.8	43.8	
Government and other public authorities	563.6	563.6	
Group and partners [2]	40,714.9	34,648.9	6,066.0
Supplier receivables	25.3	25.3	
Sundry debtors	0.0	0.0	
Other foreign tax receivables	0.0	0.0	
Accrued income	36.9	36.9	
Advances and instalments paid on orders	292.9	292.9	
Prepaid expenses	378.9	378.9	
TOTAL	**63,083.8**	**40,866.5**	**22,217.3**

[2] of which €29,442,300 in dividends receivable. Dividends of CNAS amount to €28,405,800 and call for the following comments. CNAS paid dividends to CIS SA in 2007, 2008 and 2009. The Bank of Algeria, considering that these transfers of funds were made in violation of laws and regulations governing foreign exchange and the movement of capital, initiated legal proceedings against the bank that executed these transfers and CNAS respectively. On November 9, 2016 the Court of Appeals of Algiers nevertheless rendered a definitive ruling dismissing this case, following its referral by the Algerian Supreme Court. On that basis, CNAS thereupon requested the Bank of Algeria to lift the restriction on the international transfer of the funds. This was request executed by a letter dated February 15, 2017. On February 1, 2017, the General Meeting of CNAS voted to distribute a dividend of DZD 4 billion and requested its bank to transfer the funds accordingly to CIS SA. The bank initiated the transfer and CNAS paid the corresponding withholding tax to the Algerian tax authorities. Despite the definitive ruling by the Algerian Supreme Court, the country's highest jurisdiction, the Bank of Algeria blocked the request to transfer the dividends by a decision dated May 7, 2017, in contradiction of the terms of its own letter of February 15, 2017. CNAS thereupon referred the matter to the Council of State to obtain the annulment of the decision of the Bank of Algeria and the authorisation to transfer the dividends, in accordance with the ruling of the Court of Appeals of Algiers in November 2016. By its decision of November 14, 2019, without ruling on the merits, the Council of State dismissed the petitions of CNAS, considering the appeal as time-barred on the grounds that it was introduced after the legal deadlines. These difficulties have delayed for several years the transfer of dividends from CNAS to CIS SA. CIS SA considers that all of these obstacles created by the Bank of Algeria constitute a violation of its rights as a foreign investor and that this decision violates the provisions of the bilateral treaty signed on February 13, 1993 between France and Algeria, "Agreement on the Promotion and Reciprocal Protection of Investments". In addition, it should be noted that the decision to distribute the dividends of February 1, 2017 remains valid even if the transfer of funds was not made within the period of nine months from the closing date of the accounts as provided for by article 724 of the Algerian commercial code. This is because only the decision of the Bank of Algeria to prohibit the transfer of the funds to CIS SA has prevented the compliance with the rules in force, whereas the transfer order was properly issued within the legal timeframe. The boards of CIS SA and CNAS would prefer the option of reaching an amicable settlement.

PAYABLES	Gross amount	Of which up to a maximum of 1 year	Of which more than more than 1 year
Borrowings	21,305.2	3,337.5	17,967.7
Bank overdrafts	388.1	388.1	
Group and partners	4,185.8	4,185.8	
Trade payables and related accounts	8,296.7	8,296.7	
Customer advances	518.8	518.8	
Employee-related and social security payables	2,064.1	2,064.1	
Government payables and equivalent	66.7	66.7	
Payables on fixed assets	15.2	15.2	
Shareholders, payment for capital increase	0.0	0.0	
Other foreign tax payables	317.7	317.7	
Other accrued expenses	71.0	71.0	
Deferred revenue	0.0	0.0	
TOTAL	**37,229.3**	**19,261.6**	**17,967.7**

ACCRUED EXPENSES (€ thousands)

Employee-related and social security payables	1,888.7
Government and other public authorities	41.8
Trade payables	2,809.9
Other financial liabilities	71.0
Total	**4,811.4**

PREPAID EXPENSES (€ thousands)

Operating expenses	378.9

CAPITAL STOCK

The share capital is comprised of 8,041,040 shares with a par value of €0.20 per share.
At December 31, 2019, the Company held 203,869 treasury shares for a gross amount of €3,239,500.
At December 31, 2018, 191,245 own shares recognised at €3,095,900 (gross value) were held in treasury.

(in € thousands except shares)	Number of shares	Capital	Reserves	Net income	TOTAL
EQUITY AT 31/12/2017	8,041 040	1,608.2	2,806.1	22,938.9	27,353.2
Net income appropriation of the prior year			22,938.9	(22,938.9)	
Payment of dividends			(884.5)		(884.5)
Net income for the financial year ended 31/12/2018				**(659.9)**	**(659.9)**
EQUITY AT 31/12/2018	8,041 040	1,608.2	24,860.5	(659.9)	25,808.8
Net income appropriation of the prior year			(659.9)	659.9	
Payment of dividends			(964.9)		(964.9)
Net income for the financial year ended 31/12/2019				**3,004.0**	**3,004.0**
EQUITY AT 31/12/2019	8,041 040	1,608.2	23,235.7	3,004.0	27,847.9

ANNUAL REVENUE BREAKDOWN (€ thousands)

Revenue includes revenues of the headquarters and branch operations. In accordance with Decree No. 83-1020 of November 29, 1983 – Article 24-20, the breakdown for revenue is provided by geographic segment, whereas a breakdown by business segment is not presented as this information is covered by the internal management reporting system of C.I.S. SA.

GEOGRAPHIC SEGMENTS	
Africa	23,210.6
MIDDLE EAST	3,322.4
COMMONWEALTH OF INDEPENDENT STATES	2,805.5
AMERICAS	4,161.4
ASIA / OCEANIA	778.2
Total	**34,278.1**

CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCIES

Cash and cash equivalents have been translated into euros at the closing exchange rate at the end of the reporting period. The resulting translation differences are recognised in the income statement of the year as currency gains or losses.

EXCEPTIONAL INCOME AND EXPENSES (€ thousands)

	Expenses	Income
Settlement differences, trade receivables, trade payables and third parties	(1.1)	1.3
Labour disputes & settlements	(13.5)	0.0
Customer & supplier disputes	(5.3)	0.0
Other Foreign Disputes & Losses on deliveries	(29.3)	0.0
Penalties on social charges for foreign operations	(5.7)	0.0
Changes in Group structure	(932.7)	0.0
Disposal or retirement of assets	(8.0)	11.8
TOTAL	**(995.6)**	**13.1**

BREAKDOWN OF INCOME TAX (€ thousands)

In accordance with Decree No. 83-1020 of November 29, 1983 - Article 24-20, corporate income tax breaks down as follows:

	Profit before tax	Tax	Profit after tax
Profit or loss before exceptional items	4,539.3	(705.5)	3,833.8
Exceptional income / (loss) (excl. profit sharing)	(982.5)	152.7	(829.8)
Accounting profit / (loss) (excl. profit sharing)	3,556.8	(552.8)	3,004.0

CAPITAL LEASES

None.

PROVISIONS FOR CONTINGENCIES

(Article 531-2/4 of the French General Chart of Accounts - *Plan Comptable Général* or PCG)

A provision of €417,000 was recorded for employee-related litigation.

OFF-BALANCE SHEET COMMITMENTS (€ thousands)

Bank commitments given on December 31, 2018 amounted to €16,527,100 including €16,327,100 in guaranties given for our subsidiaries and namely:

- €9,898,000 for ACS Russie
- €4,429,000 for CIS Brésil
- €1,335,200 for CSS Congo
- €442,700 for CIS Bolivie
- €123,100 for CIS Yémen
- €99,100 for CIS Niger

PENSION LIABILITIES

A provision of €198,700 was recorded in the balance sheet for pension liabilities.
The benefits are calculated according to the preferred method based on the years of seniority on the retirement date. These benefits apply solely to staff working in the company as of December 31, 2019, except for local staff under an employment contract with the foreign branches.

Assumptions used for the calculation are as follows:

- A retirement age of 65
- Average decrease in career profile
- Average staff turnover: 5%
- Salary escalation: 1.50% per year
- Discount rate: 1.50% per year
- Separate mortality ratios based on distinct mortality tables for men and women (Reference: Insee TD 2007-2009 Table)

DEBT GUARANTEED BY COLLATERAL

None.

EXECUTIVE COMPENSATION (€ thousands)

Management bodies	**€493,700**
• of which gross salary	€461,100
• of which benefits in-kind	€12,600
• of which attendance fees	€20,000
• other guarantees	€0
Attendance fees of other members of the Board of Directors	**€200,000**

ADVANCES OR LOANS GRANTED TO EXECUTIVE OFFICERS

In accordance with the French Companies Act of July 24, 1966, no loans or advances were granted to executive officers of the Company.

AVERAGE WORKFORCE

Salaried employees : 710 France : 46 Other countries : 664

EVENTS AFTER THE BALANCE SHEET DATE

The Group set up a Covid-19 unit to monitor the epidemic and define at the Group level the policies for information, prevention and protection in order to guarantee the safety of all its customers, partners and employees as well as to ensure the continuity of its operations.
The impacts linked to the spread of Covid-19 which may be expected to adversely effect on the economic and financial environment and the outlook for the upcoming year, are not measurable at the present date based on the recent nature of this development and the level of general uncertainties.
This post-closing event nevertheless has no impact on the annual financial statements for 2019.

LIST OF SUBSIDIARIES

COMPANIES	Share capital (Closing Price)	Shareholders' Equity excluding Share Capital (Closing Price)	Ownership interest (%)	Gross carrying value of securities held (Historical Price)	Loans and advances granted and not yet repaid (Closing Price)	Guarantees and pledges given by the Company (Closing Price)	Sales for year ended (Average Price)	Annual Profit or Loss for the Year Ended (Closing Price)	Dividends received by the company during the year (Historical Price)
ACS	€1,600	€(1,842,400)	100%	€15,000	€3,852,700	€9,898,000	€28,515,000	(€1,625,000)	€0
CIS CAMEROON	7.6	€0	100%	7.6	€0	€0	€0	€0	€0
CIS CHAD	7.6	€0	100%	7.6	€0	€0	€0	€0	€0
CIS BOLIVIA	4.8	965.1	99%	€4,600	€47,600	€442,700	€7,222,300	€127,900	€0
CIS BRAZIL	€4,548,600	€1,143,500	100%	€9,601,800	€44,100	€4,429,000	€19,165,400	€140,800	€506,100
CNAS	€7,500	€10,335,100	100%	€10,800	€0	€0	€0	€46,400	€0
CIS NC	€41,900	(€464,200)	60%	€25,100	€93,600	€0	€0	(€24,500)	€0
ICS	€900	(€31,100)	100%	€800	€31,700	€0	€0	€0	€0
CISY	€28,500	€2,283,000	50%	€14,800	€0	€123,000	€0	€0	€0
CAC KAZAKHSTAN	€200	€1,239,300	100%	€8,300	€142,300	€0	€18,262,000	€759,800	€228,500
CIS NIGER	€1,500	€361,100	100%	€1,500	€21,900	€99,100	€1,771,700	€4,400	€0
CIS BURKINA FASO	€1,500	€584,600	100%	€1,500	€116,200	€0	€4,467,100	€399,300	€0
GCS	€900	(€2,367,400)	100%	€1,100	€2,282,100	€0	€0	€0	€0
MOHJAT AL-IRAQ GENERAL TRADE	€3,800	(€154,400)	100%	€3,300	€0	€0	€0	€0	€0
CNA	€4,700	€3,551,400	100%	€5,300	€0	€0	€18,852,800	€3,550,900	€5,399,600
CIS MALI	€15,200	€84,800	100%	€686,000	€309,600	€0	€3,115,300	€168,100	€0
CIS MIDDLE EAST	€24,300	€83,700	100%	€21,100	€369,400	€0	€0	(€11,000)	€0
CIS DOMINICANA	€1,700	€179,200	100%	€1,700	€0	€0	€0	€6,100	€0
SSM	€138,700	€2,176,500	49%	€90,300	€147,600	€0	€25,951,100	€2,172,300	€1,342,000
CIS ARABIA	€118,900	(€314,200)	55%	€64,800	€625,100	€0	€7,169,900	(€905,400)	€0
CATER CONGO	€15,200	(€15,300)	100%	€15,200	€15,300	€0	€0	€0	€0
CIS MOÇAMBIQUE	€300	€93,300	79%	€400	€0	€0	€0	(€2,300)	€0
TSC	€1,000	€2,442,400	100%	€384,600	€0	€0	€5,325,200	€873,400	€0
CIS MEA	€12,100	(€1,569,500)	100%	€12,300	€960,900	€0	€0	(€443,400)	€0
CIS KUWAIT	€29,400	(€1,407,000)	94%	€28,200	€1,377,500	€0	€0	€0	€0
CIS MALAWI	€43,800	(€13,200)	100%	€44,500	€8,500	€0	€329,500	(€13,200)	€0
CIS SENEGAL	€300	€42,700	100%	€300	€122,100	€0	€2,214,100	€42,700	€0
CSS	€1,700	€60,000	49%	€900	€254,000	€1,335,200	€5,179,100	€60,000	€0
CIS GABON	€1,500	€22,300	100%	€1,500	€176,700	€0	€401,300	€22,300	€0
ISC	€2,300	€0	100%	€2,300	€0	€0	€0	€0	€0

FIVE-YEAR FINANCIAL HIGHLIGHTS AND OTHER STATUTORY DISCLOSURES

Nature of information	FY Y-4 2015	FY Y-3 2016	FY Y-2 2017	FY Y-1 2018	FY N 2019
CAPITAL STOCK AT YEAR-END					
Share capital	€1,608,200	€1,608,200	€1,608,200	€1,608,200	€1,608,200
Number of ordinary shares	8,041,040	8,041,040	8,041,040	8,041,040	8,041,040
Preferred non-voting stock	-	-	-	-	-
Maximum number of potential shares					
• from conversion of bonds	-	-	-	-	-
• from the exercise of subscription rights	-	-	-	-	-
OPERATIONS AND INCOME FOR THE YEAR					
Sales excluding tax	€34,238,000	€23,051,800	€23,330,300	€23,844,000	€34,278,100
Earnings before tax, profit-sharing, amortisation, depreciation and provisions	€1,637,100	(€1,136,500)	€25,469,700	€1,693,600	€4,268,600
Income tax	€589,700	€786,200	€43,800	€109,200	€552,800
Employee profit-sharing for the financial year	-	-	-	-	-
Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions	€803,700	(€5,435,200)	€22,938,900	(€659,900)	€3,004,000
Distributed earnings (in year Y for Y-1)	€1,447,400	€964,900	€482,500	€884,500	€964,900
EARNINGS PER SHARE					
Income after tax and employee profit-sharing but before depreciation allowances and provisions	€0.13	(€0.24)	€3.16	€0.20	€0.46
Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions	€0.10	(€0.68)	€2.85	(€0.08)	€0.37
Net dividend per share (distributed in year Y for Y-1)	€0.18	€0.12	€0.06	€0.11	€0.12
STAFF					
Average headquarters staff for the period	41	41	43	47	46
Annual payroll (headquarters and expatriate)	€14,002,100	€10,199,300	€9,137,200	€5,813,800	€5,553,000
Total social charges and benefits paid for the period (social security, charities, etc.)	€3,234,800	€2,656,500	€2,699,500	€2,322,100	€2,223,200

REPORT ON CORPORATE GOVERNANCE

This report on corporate governance has been drawn up in accordance with the provisions of ministerial decree (*ordonnance*) 2017-37 of July 12, 2017 with the support of several of the Company's functional departments, and namely Legal Affairs, Finance and Internal Control.
This report was approved by the Board of Directors on April 23, 2020.

I. Corporate governance

The Board of Directors refers to the corporate governance code established by Middlenext, which may be consulted at the Middlenext website (www.middlenext.com).
On the date of this report, the Company applied the recommendations of the Middlenext code, with the exception of a portion of recommendations 1 and 8 for the reasons indicated below.

Middlenext Code recommendations not followed by the Company	**Justification ("Comply or Explain" principle)**
Recommendation 1: Director ethics	To date, paragraph 7 of recommendation 1 relating to the presence of directors at the general meetings is not applied. However, the rules of procedure of the Board of Directors stipulates that directors shall undertake to participate in general meetings. The Company otherwise follows all other principles presented under Recommendation 1 of the MiddleNext Code.
Recommendation 8: The choice of each director	The biographies of the directors and information relating to those whose appointments or renewals are proposed to the General Meeting are presented to the shareholders within the framework of the communication and distribution of its Annual Report. However, this information is not provided by the Company online, except in the Annual Report available at its website.

II. Corporate governance bodies

2.1. THE EXERCISE OF EXECUTIVE MANAGEMENT

Since the Company's creation, the corporate governance model adopted has been that of a company with a Board of Directors.
Mr. Régis Arnoux, Founder of CIS, combines the functions of Chairman (*Président*) and Chief Executive Officer (*Directeur Général*). The General Meeting of June 14, 2019 renewed the office as director for a new term of three years and the Board renewed Mr. Régis Arnoux's office as Chairman of the Board of Directors.
Combining the offices of Chairman of the Board of Directors and Chief Executive Officer is considered to be in the interests of the Company, its proper functioning and efficiency of the decision-making process.
No restrictions have been placed on the powers of the Chairman and Chief Executive Officer. However, the latter convenes the directors to meetings on a regular basis to discuss with them the Company's operations, strategy and outlook.
In compliance with the recommendations of the AMF, the French financial market authority, and the Middlenext code, measures have been adopted to promote a balance of powers within the Board of Directors:
• More than half the directors are considered as independent within the Middlenext code;
• Furthermore, meetings are organised on a regular basis to prepare for the work of the Board.

To improve its governance, CIS created a strategy committee and a compensation committee whose missions are described below in paragraph 2.5.

Another highlight of the year was the reinforcing of CIS' governance.

On that basis, Yannick Morillon joined CIS as Deputy Chief Executive Officer on June 17, 2019. Yannick Morillon, 44 years of age, is a graduate of the School of Business and Management of Lille (*École de Gestion et de Commerce de Lille* or EGC-CEPRECO) and has also completed Executive Programs in Management and Leadership in the US at Stanford and Babson. Having worked in international markets and sensitive regions for most of his career and with extensive experience in the service sector, he brings a broad range of commercial, financial, operational and managerial expertise (Groupe Vinci, Veolia Propreté, Geocoton).

Continuing the strategy in place of the CIS Group, Yannick Morillon's primary mission will be to ensure the Group's continuity, development, profitability and independence, alongside its Chairman-CEO and Founder, Régis Arnoux.

In addition, in early 2019, Mr. Denis Gasquet joined CIS as special advisor to the Chairman-CEO, Mr. Régis Arnoux, tasked primarily with supporting CIS in adapting its governance and the Group's strategy.

2.2. BOARD OF DIRECTORS

Composition of the Board

On the date of this report, the Board of Directors had 11 members, of which seven were independent directors. The proportion of men and women serving as directors respectively is above 40% in accordance with the provisions of article L.225-18-1 of the French commercial code.

Since the shareholders' general meeting of June 6, 2016, the term of directors was reduced to three years for all new directors or the renewal of offices. Their term of office expires at the end of the Ordinary General Meeting of the shareholders called for the purpose of approving the financial statements for the period ended and held in the year in which their term of office as director expires.

Summary presentation of the Board of Directors on the date of this report

Last name, first name and office	Independent Director	1st appointment	Term of appointment	Other appointments and functions exercised within CIS	Other appointments and functions exercised outside CIS
Régis Arnoux Chairman of the Board and Chief Executive Officer	No	05/02/1992	AGM approving the accounts for the period ended 31/12/2021	None	• Chairman of FINRA (SAS) • Managing Partner of SCI Immobilière Borély • Managing Partner of SCI IMRA
Monique Arnoux Director	No	05/02/1992	AGM held to approve the financial statements for the year ending 31/12/2021	None	• Managing Partner of SCEA Mas de Joussanes
Florence Arnoux Director	No	15/06/2010	AGM held to approve the financial statements for the year ending 31/12/2021	Strategy Committee member	• Managing Partner of SCI Monceau • Director of MEDEF International • Director of EVOLEN • Director of MNCAP-AC
Frédérique Salamon Director	No	05/02/1992	AGM held to approve the financial statements for the year ending 31/12/2021	• Audit and Risk Committee member • Strategy Committee member	• Managing Partner of Flaym Consulting (SARL)

Last name, first name and office	Independent Director	1st appointment	Term of appointment	Other appointments and functions exercised within CIS	Other appointments and functions exercised outside CIS
Financière Régis Arnoux (FINRA) Director Permanent representative: Monique Arnoux	No	15/06/2010	AGM held to approve the financial statements for the year ending 31/12/2021	None	None
Cantos Ltd Director Permanent representative: Henri de Bodinat	Yes	Co-opted by the Board of Directors on 16/12/2016, Ratified by the General Meeting of 12/06/2017	AGM held to approve the financial statements for the year ending 31/12/2019*	Henri de Bodinat is the Chair of the Strategy Committee	• Chairman of Espérance SAS • Director of MAdvertise • Director of Oslo Software • Director of Zound Industries • Director of AgriMarketPlace
Financière Lucinda Director Permanent representative: Sophie Le Tanneur de Rancourt	Yes	Co-opted by the Board of Directors on 16/12/2016, Ratified by the General Meeting of 12/06/2017	AGM held to approve the financial statements for the year ending 31/12/2021	• Sophie Le Tanneur is a member of the Audit and Risk Committe • Sophie Le Tanneur is a member of the Compensation Committee	Director of Micropole SA
Frédéric Bedin Director	Yes	26/05/2011	AGM held to approve the financial statements for the year ending 31/12/2021	None	• Chair of the Executive Board of Hopscotch Group (SA) • Chairman of Holding Système (SA) • German of the Revital'Emploi not-for-profit organisation • Member of the Supervisory Board of Sopexa (SA) • Director of Fondation Entreprendre • Director of UNIMEV (*Union Française des Métiers de l'Événement*), the French Meeting Industry Council
Marine Firminy Director Permanent representative: Pierre-François Forissier	Yes	13/06/2012	AGM held to approve the financial statements for the year ending 31/12/2020	Pierre-François Forissier is the Chair of the Audit and Risk Committe	• Director of HEOH (SA) • Partner of SEA PROVEN (SAS)
Gonzague de Blignières Director	Yes	17/06/2014	AGM held to approve the financial statements for the year ending 31/12/2019*	Compensation Committee member	• Chairman of Raise Conseil (SAS) • Chairman of Financière GdB (SAS) • Chairman of Le Ponton (SAS) • Director of Fondation Bettencourt-Schueller • Director of United Way Alliance • Director of Projet Imagine • Honorary Chairman of the Réseau Entreprendre Paris • Member of the support committee of the Espérance Banlieue, an organisation providing aid to youth in under-resourced urban areas
YLD Conseil Director Permanent representative: Yves-Louis Darricarrère	Yes	06/06/2016	AGM held to approve the financial statements for the year ending 31/12/2021	• Yves-Louis Darricarrère is a Strategy Committee member • Yves-Louis Darricarrère is a Compensation Committee member	• Chairman of NHV • Director of Ortec (SA) • Director of Norwegian Energy Company • Supervisory Board of Société Phocéenne de Participations

*With the terms of office of these directors expiring at the end of the annual Ordinary General Meeting of June 16, 2020, the Board of Directors proposed the renewal of their offices for a new term of three years.

Diversity and gender balance policy
In accordance with article L.225-37-4 of the French commercial code, the Board regularly assesses the composition of the Board and its committees as well as the different competencies and experiences offered by each director. Based on the orientations identified, the board conducts its evaluation with the objective of ensuring the best possible balance by seeking complementary profiles with respect to diversity and professional background in terms of nationality, gender, age as well as experience.

In accordance with MiddleNext Code recommendation 8, when each director is appointed or reappointed, sufficient information about his or her experience and skills should be included in the annual report and provided to the General Meeting. In addition, each proposal for the appointment or reappointment of a director is the subject of a distinct resolution in order that shareholders may freely decide on the composition of the Company's Board of Directors.

Finally, the Board is constantly committed to ensuring a balanced representation of men and women in its membership and that of its special committees. On that basis, the Board currently counts five women out of a total of eleven members, in compliance with the provisions of article L.225-18-1 of the French commercial code.

Independent directors
The notion of an independent director is that used in the MiddleNext Code recommendation 3, and namely:
- they must not have been during the last five years an employee or executive officer of the Company or a company in its group;
- they must not have had any material business relationship with the Company or its group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- they must not be a reference shareholder of the Company or hold a significant percentage of voting rights;
- they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- they must not have been an auditor of the company in the course of the previous six years.

After reviewing the situation of its members with regards to these criteria, the Board considered that 6 of its members constituted independent directors within the meaning of the MiddleNext Code out of the total of 11, as summarised in the above table.

Terms of office
In accordance with Recommendation 9 of the MiddleNext Code, the term provided for under the Company's articles of association was reduced to three years by the General Meeting of the shareholders of 6 June 2016.
In addition, the renewal of the terms of office of directors has been staggered.

Conditions for the preparation and organisation of the work of the Board of Directors

Rules of procedure
2016, the Board has adopted rules of procedure (Board charter) specifying the conduct of business rules for its members and operating procedures, in accordance with Middlenext Code recommendation 7. All directors have signed these rules of procedure. On that basis, each director is made aware of their responsibilities and encouraged to observe the rules of ethical conduct relating to their office.

The rules of procedure stipulate notably that:
- The Board's powers and restrictions that may be imposed on the powers of the Chairman-CEO;
- The composition of the board and independence criteria applicable to directors;
- The directors' duties and the rules of ethics to which they are subject;
- The working of the Board and directors' compensation rules.

In compliance with Recommendation 7 of the Middlenext Code, the Board of Directors will adapt its rules of procedure in order to include the new recommended disclosures, and namely the protection provided to executive officers (directors and officers liability insurance) and the question of manager's succession planning.

It should be noted that the Chairman-Chief Executive Officer has taken a number of measures to ensure his succession. To this purpose, in 2017, the Board created an *ad hoc* succession planning committee which presented its conclusions to the Board of Directors on February 21, 2018. All recommendations issued by this ad hoc committee are designed to secure the governance of CIS and the long-term viability of CIS Group and its shareholder base, notably by maintaining the Arnoux family's position as majority shareholder. In particular, it has been agreed that in the event of temporary or permanent incapacity of Mr. Régis Arnoux, the governance of FINRA, the Arnoux family holding company will be assured by Mrs. Frédérique Salamon, in the place of Mr. Régis Arnoux.

The Board reviews on a regular basis the conflicts of interest among its members to ensure that decisions are at all times taken in the corporate interest. On that basis, the Board declares that none of its members have known conflict of interest.

Procedures for calling meetings and providing directors with information

Directors are called to meetings by all means within a reasonable time period and at least 8 days before the proposed Board meeting date.

In accordance with Article L.823-17 of the French commercial code, the Statutory Auditors were invited to the meetings that reviewed and approved the interim and annual financial statements.

The agenda of the different Board meetings are established by the Chairman. Each director is provided with this agenda within a reasonable period in advance of the meeting, along with the information and documents of use for preparing the meeting.

Subjects of a particularly sensitive, urgent nature or requiring a greater degree of confidentiality may be discussed without a prior distribution of documents.

Evaluation of the Board's work

The Board adopted formalised procedures for the self-assessment of the Board's work in 2018. All CIS directors participated in this assessment.
As a general rule, its members considered the work of the Board to be satisfactory.

Board meetings

The Board meets as often as the interests of the Company require and in principle at least four times a year in accordance with Middlenext Code recommendation 5.

The Board sets the orientations for the activity of the Company, ensures their implementation and takes up all questions relating to the management of the Company. It also adopts the separate parent company and consolidated financial statements, calls shareholders meetings, sets the agenda and draws up the draft resolutions. In addition, the Board carries out all controls and verifications it deems appropriate and authorises the regulated agreements covered by article L.225-38 *et seq.* of the French commercial code.

In 2019, the Board met five times in plenary session and addressed notably the following items of business.

Date	Agenda items	Attendance rate
21/02/2019	• Update on the Company's Executive Management and proposal for the appointment of Yannick Morillon as Deputy Chief Executive Officer	91%
16/04/2019	• Review and approval of the separate annual and consolidated financial statements for the period ended 31/12/2018 • Examination of the Audit and Risk Committee's work • Review of the Group's activities for 2018, developments in progress and its outlook • Review and adoption of preparatory documents for the General Meeting of 14/06/2019 • Review and approval of "regulated agreements" • Review and approval of the compensation policy for the Chairman-Chief Executive Officer • Proposal for renewing all offices about to expire	100%
16/05/2019	• Appointment of Yannick Morillon as Deputy Chief Executive Officer • Renewal of Régis Arnoux's term of office of the Chairman of the Board of Directors	100%
19/09/2019	• Presentation of the recommendations and decisions of the FINRA family holding company • Review and approval of the interim financial statements for the six-month period ending 30/6/2019	100%
12/11/2019	• Update on the main commercial developments and the corresponding caveats to be considered	64%

The average meeting attendance rate for directors was 91% in 2019. All meetings were held in the presence of the Chairman-Chief Executive Officer.

In light of the nature of certain subjects to be discussed at the level of the Board of Directors and the preparatory work necessary before obtaining final Board approval, several preparatory meetings were organised throughout 2019.

2.3. SPECIAL COMMITTEES

CIS created three special committees to improve the governance:
• An Audit and Risk Committee;
• A Strategy committee;
• A Compensation Committee.

Their mission is to analyse and assist the decision-making process of the Board of Directors and a number of areas. The attributes and operating procedures of these committees are governed by their own rules of procedures. Each committee exercises an advisory power and intervenes exclusively under the authority of the Board of which they are an embodiment and to which they regularly report. Each committee may request at the Company's expense external technical studies about subjects within its fields of competence and after having obtained the authorisation of the Chairman-Chief Executive Officer. Each committee may also decide to invite any specialist or expert as required, to these meetings.

Audit and Risk Committee

The committee was created in 2010.
On April 23, 2020, the Board of Directors decided to change the name of the Internal Audit and Risk Committee to the Audit and Risk Committee (ARC).

In order to ensure the quality of internal control and reliability of financial information provided to shareholders and financial markets, the ARC exercises the following missions:

- Ensuring oversight of the process of preparing financial information, before examination of the financial statements by the Board of Directors (reviewing of the interim and annual financial statements, reviewing the accounting methods and principles adopted to prepare these financial statements, by ensuring their applicability, reviewing the accounting and financial information and, in particular, the financial statements, to ensure the correct accounting treatment of these operations, ensuring that corrective measures have been effectively adopted in the case of dysfunctions in the process of preparing financial information).

- Monitoring the performance of internal control and risk management systems (evaluating internal control procedures and all measures adopted to remedy possible material dysfunctions in the area of internal control; examining the annual work program of the internal and external auditors; examining material risks and off-balance-sheet commitments, monitoring the efficacy of risk management systems and, in particular, the risk mapping). In this context, the Committee ensures the existence of these systems and this risk mapping, their deployment and the adoption of corrective measures when weaknesses or irregularities have been identified, reviewing on a periodic basis significant litigation, examining and providing its opinion to the Board of Directors on the report on corporate governance.

- Monitoring the work of the Statutory Auditors and ensuring their independence, making all recommendations on the Statutory Auditors put before the general meeting regarding their appointments or renewals and propose their compensation.

- Services that cannot be separated from the statutory auditing engagement, namely all work required to issue reports certifying the accounts and audit reports to be provided to the ordinary general meeting approving the financial statements do not need to be approved by the Audit and Risk Committee, however the procedures of intervention are presented to it.

- Ensuring compliance with laws, regulations and recommendations applying to CIS and, in particular:
  - Determining the effectiveness of procedures designed to ensure compliance with the laws and regulations, analysing the conclusions of investigations of Management and ensuring oversight (including of disciplinary measures) in the case of infringements;
  - Analysing the conclusions of all investigations conducted by supervisory authorities and any comments issued by the auditors and ensuring the appropriate compliance measures are taken;
  - Taking into account the observations and conclusions of the High Council of Statutory Auditors (*Haut Conseil du Commissariat aux Comptes*) resulting from controls that may be exercised in application of articles L.821-9 *et seq.* of the French commercial code;
  - Ensuring that CIS' Business Ethics Charter exists, is distributed and applied;
  - Ensuring the treatment of all information about possible problems of internal control or any problem of an accounting and financial nature, as applicable, by preserving the anonymity of whistleblowers.
  - Examining the procedures of CIS relating to the detection of fraud and the system for reporting ethical issues. Finally, CIS 's management has an obligation to inform the Audit and Risk Committee of any incident of fraud concerning a material amount to enable the latter to proceed with the appropriate verifications if it considers necessary.

In general, the Committee may address and/or be solicited to consider any subject that might have a material impact on the financial statements of CIS and/or presenting material risks for CIS Group. Finally, the Committee shall provide all advice and formulate all appropriate recommendations in the above areas and may refer to outside experts as required, while ensuring their competency and independence.

On the date of this report, membership of the ARC is comprised of three directors (two of which are independent including the ARC Chair) selected for their expertise in the field of finance and accounting and their knowledge of the Group's business plus a consultant originating from outside the Board of Directors:

- Admiral Pierre-François Forissier, permanent representative of Marine Firminy, independent director and Chairman of the Audit and Risk Committee;
- Frédérique Salamon, director;
- Ms. Sophie Le Tanneur De Rancourt, permanent representative of Financière Lucinda, independent director;
- Ms. Laurence Daziano, consultant, external director.

In the performance of their duties, the Audit and Risk Committee members are not subject to any hierarchical or disciplinary authority within the company.
The Committee has regular exchanges with the Statutory Auditors of the Company notably until their report is produced.
In order to take into account the new provisions resulting from the Audit reform, the Audit and Risk Committee rules of procedure were updated by the Board of Directors on September 14, 2017.

Strategy committee

This committee was created in 2018 to assist the Company and the Board in their work.

The Committee is tasked notably with the following missions:

- Evaluating CIS' strategic position in light of developments in the Group's environment and its markets as well as medium and long-term development priorities;
- Studying Group development projects, notably with respect to external growth and particular, acquisitions or the disposal of subsidiaries, equity investments, borrowing and capital investments.

On the date of this report, the Strategy Committee is comprised of 4 directors, selected for their expertise in the area of strategy and their knowledge of the Company's business:

- Henri de Bodinat, permanent representative of Cantos Ltd, Strategy Committee Chairman and independent director;
- Florence Arnoux, director;
- Frédérique Salamon, director;
- Yves-Louis Darricarrère, permanent representative of YLD Conseil, independent director.

Compensation committee

This committee was created in 2018 and is tasked with in particular the following missions:

- Studying questions relating to components of compensation of any nature of executive officers and selected CIS employees;
- Examining any project relating to the distribution of stock options and other types of CIS share-based profit-sharing schemes.

On the date of this report, this Committee is comprised of 3 directors, selected for their expertise in the area of compensation and their knowledge of the Company's business:

- Sophie Le Tanneur de Rancourt, permanent representative of Financière Lucinda, Compensation Committee Chairman and independent director;
- Yves-Louis Darricarrère, permanent representative of YLD Conseil, independent director;
- Gonzague de Blignières, director.

III. Compensation and benefits of corporate officers

3.1. GENERAL PRINCIPLES FOR SETTING THE COMPENSATION OF CORPORATE OFFICERS

The compensation policy for all company officers is set by the Board of Directors, on the recommendation of the Compensation Committee and subject to annual review.

The annual compensation policy was discussed and adopted by the Board of Directors on April 23, 2020 on the recommendation of the Compensation Committee.
In compliance with the provisions of articles L.225-37-2, L.225-37-3 and L.225-100 of the French commercial code, this compensation policy for corporate officers will be submitted to the vote of the General Meeting of the shareholders of June 16, 2020. This compensation policy for corporate officers, if approved by the General Meeting, will apply in 2020 to any person exercising a corporate office within CIS.

The Board of Directors ensures that the compensation policy in place is in the company's corporate interest, adapted to its strategy and the environment in which it operates, and takes into account the priorities of ensuring a socially responsible environmental transition. Within this framework, the Board ensures that the compensation policy contributes to promoting the performances of CIS Group, its sustainability and competitiveness in the short, medium and long-term.

3.2. COMPENSATION POLICY FOR EXECUTIVE OFFICERS

The compensation policy for executive officers is set by the Board of Directors, pursuant to the Compensation Committee's recommendation and subject to annual review. This Committee may be assisted by outside consultants specialised in executive compensation. It also takes into account comments that may be made by shareholders.

Compensation of the executive officers is set by the Board of Directors according to the principles of comprehensiveness, balance between compensation components, benchmark, consistency, understandability and proportionality and transparency, and in accordance with MiddleNext Code recommendations.

The purpose of the compensation policy for executive officers of CIS is to:
- support its short, medium and long-term strategy;
- align the interests of its managers with those of the shareholders and all stakeholders;
- ensure that results in the short term contribute to laying the groundwork for achieving the medium and long-term goals;
- rewarding economic, financial and CSR results by encouraging sustained improvements in performances from one year to the next, building on its corporate culture and values;
- rewarding individual and collective performance and promoting employee retention;
- actively participating in the quality of social dialogue, cohesion and team engagement;
- be competitive and effective in continuing to attract, develop and motivate its talented employees while maintaining its economic and financial equilibrium.

On the date of this report, no performance share or stock option plans for executive officers existed in the Company. In addition, there were no retirement plans for executive officers.

The following table provides selected information about the benefits of executive officers in 2019:

Executives and corporate officers	Employment contract		Supplemental retirement plan		Compensation or benefits owed or potentially due resulting from a change in function		Payments relating to non-compete clauses		Benefits in kind (vehicle)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Mr Régis Arnoux Chairman and CEO		X		X		X		X	X	
Mr Yannick Morillon Deputy Chief Executive Officer since June 17, 2019	X			X	X			X	X	

Compensation and benefits for executive officers
The Board considers that the compensation policy of CIS' executive officers has the following characteristics:

It is in CIS' corporate interest	Its amount is adapted to the size and complexity of the CIS Group
It contributes to the Company's long-term development and is in line with its commercial strategy	Its amount is coherent with the resources available to the Group and its strategic development targets
It is largely subject to demanding performance conditions	Future performances are assessed in relation to past performances and, in that way, are grounded in reality
It is capped	• the fixed amount is stable over the duration of the term of office • the short-term variable portion is capped in relation to the fixed amount and each indicator corresponds to a capped bonus • the long-term variable portion is capped at the time it is granted
It is balanced	It achieves a balance between: • the short and long-term as a guarantee and alignment with the interests of shareholders; • the economic and financial performances and the implementation of the sustainable development policies

3.2.1. Compensation policy applicable to Mr. Régis Arnoux, Chairman-Chief Executive Officer

The compensation policy for the Chairman-CEO seeks to achieve a balance between the short, medium and long-term in order to promote the development of the company for all its stakeholders. On that basis, in order to safeguard the interest of these stakeholders, the Company is committed to maintaining the coherence between the total compensation of the Chairman-CEO and the evolution of the performance of the Company and the CIS Group.

On April 23, 2020, the Board of Directors adopted the principles and criteria for establishing the components of compensation of Mr. Régis Arnoux for 2020, on the recommendation of the Compensation Committee.

Upon the renewal of his term of office as Chairman of the Board of Directors and Chief Executive Officer taking effect at the end of the General Meeting of the shareholders of June 14, 2019, the Board specified that the procedures for Régis Arnoux's compensation for the period remain unchanged.

No significant changes have been made to the compensation policy of the Chairman-CEO for 2020.

The compensation of the Chairman-Chief Executive Officer breaks down as follows:

Gross fixed annual compensation
Subject to a duly justified individual increase, changes in the fixed annual compensation of Mr. Régis Arnoux are consistent with normal practice for companies of equivalent size.

Accordingly, the Board of Directors has decided to maintain the amount of fixed annual compensation for Mr. Régis Arnoux as Chairman-CEO Officer for fiscal 2020 at a gross amount of €342,000.

This gross annual compensation is determined in reference to the experience, responsibilities and the benchmark for equivalent positions in the business sector or a similar sector, while taking into account the corporate culture and values.

Variable compensation
Mr. Arnoux does not receive variable compensation.

Benefits of any nature
Mr. Régis Arnoux benefits from the use of a company car.

Pension and personal protection benefits
Mr. Régis Arnoux benefits from the group personal protection and healthcare plan available in the company
Mr. Régis Arnoux is not a beneficiary of a supplemental retirement plan.

Supplemental group health insurance scheme
Mr. Régis Arnoux benefits from the supplemental insurance plan available in the company

Severance benefits
Mr. Régis Arnoux is not entitled to benefits in the event of the termination or change in his functions.

Long-term compensation
Mr. Régis Arnoux does not received any other form of long-term compensation (restricted stock units, stock options, etc.)

Non-compete clause
Mr. Régis Arnoux does not benefit from the provisions of a non-compete clause.

Directors' compensation
As a member of the Board of Directors of CIS, Mr. Régis Arnoux receives a fixed annual amount as compensation for serving as director, determined freely by the Board of Directors. The total annual amount allocated to the Board of Directors is set by the General Meeting of the Company.

Other compensation or benefits due or that may be due by Group companies, on the basis of his office
Mr. Régis Arnoux is not the beneficiary of any other compensation or benefit due or that may be due by Group companies, on the basis of his office.

Employment contracts combined with a corporate office
In accordance with MiddleNext Code recommendation 15, we inform you that the Chairman-Chief Executive Officer does exercise his office in conjunction with an employment contract.

3.2.2. Compensation policy applicable to Mr. Yannick Morillon, Deputy Chief Executive Officer

The compensation policy for the Deputy-CEO seeks to achieve a balance between the short, medium and long-term performance in order to promote the development of the company for all its stakeholders. On that basis, in order to safeguard the interest of these stakeholders, the Company is committed to maintaining the coherence between the total compensation of the Deputy CEO and the evolution of the performance of the Company and the CIS Group.

The compensation policy for the Deputy Chief Executive Officer for fiscal 2019 and 2020 was adopted when Yannick Morillon was appointed by the Board of Directors on May 16, 2019, confirmed by the Board of Directors on April 23, 2020 on the recommendation of the Compensation Committee.

It should be noted that in addition to serving as a corporate officer as Deputy CEO, he also has an employment contract as the Chief International Business Development Officer. The components of compensation associated with his employment contract presented in the report are provided solely for information purposes and are in no way subject to the provisions of articlesL.225-37-2, L.225-37-3 and L.225-100 of the French commercial code.

The compensation of the Deputy Chief Executive Officer breaks down as follows:

Gross fixed annual compensation
Subject to a duly justified individual increase, changes in the fixed annual compensation of Mr. Yannick Morillon are in line with the general salary increase applied by the Company in accordance with normal practice for companies of equivalent size.

The fixed annual compensation of the Deputy CEO as a corporate officer for 2020 amounted to €66,000.

The total gross annual compensation is determined in reference to the experience, responsibilities and the benchmarks for equivalent positions in the business sector or similar sectors, while taking into account the corporate culture and values.

The fixed compensation of the Deputy CEO corresponds to the compensation attached to this type of corporate office.

On that basis, it is determined notably in reference to the following criteria:
- the level and complexity of the missions and responsibilities attached to this function;
- the competencies, experience, expertise and career of the person holding the position;
- analyses and market studies on the compensation of similar functions in comparable companies.

For fiscal 2020, no general salary increase is planned.
As required by law, the application of this general salary increase would be subject to approval of the Ordinary General Meeting of June 16, 2020.

Variable compensation
Mr. Yannick Morillon may receive variable annual compensation amounting to a maximum gross amount of €30,000 if all the objectives set are achieved.

For fiscal 2019, the starting date of Mr. Yannick Morillon, he will be allocated guaranteed gross annual variable compensation of €15,000 with a maximum amount of gross compensation of €30,000 if all the objectives set for 2019 are achieved.

The formula for calculation factors in economic criteria referring to quantitative objectives reflecting the Group's performance as well as the personal contribution of the Deputy Chief Executive Officer based on a qualitative assessment of his management.

The specific nature of the objectives set have been defined in a precise and detailed manner though are not rendered public for reasons of confidentiality.

As required by law, payment of this bonus is subject to approval of the Ordinary General Meeting of June 16, 2020.

Benefits of any nature
Mr. Yannick Morillon benefits from the use of a company car.

Pension and personal protection benefits
Mr. Yannick Morillon benefits from the group personal protection and healthcare plan available in the company.
Mr. Yannick Morillon is not a beneficiary of a supplemental retirement plan.

Supplemental group health insurance scheme
Mr. Yannick Morillon benefits from the supplemental insurance plan available in the company.

Severance benefits
The Deputy CEO is eligible for a severance benefit payment representing a gross amount of €66,000 in the event of his removal without cause at the initiative of the Company, occurring within a period of 2 years from the start of his term of office as a corporate officer, i.e. no later than June 17, 2021 at midnight, in compliance with the laws and regulations applicable to companies whose shares are committed to trading on a regulated market.

After June 17, 2021 at midnight, Mr. Yannick Morillon will no longer be eligible to receive severance benefits of any nature upon termination of his corporate office, subject to application of common law.

Should the termination of his corporate office result from resignation, incapacity or revocation for cause (mismanagement, gross negligence and/or moral turpitude or dishonesty. Mr. Yannick Morillon shall not be eligible to claim any compensation whatsoever of any nature, subject to the application of common law.

Long-term compensation
The compensation of the Deputy Chief Executive Officer is destined to be supplemented by a long-term component involving stock awards as part of a specific plan that will be implemented and linked to predefined performance conditions.

On condition that (i) Mr. Yannick Morillon exercises his office as Deputy CEO of CIS (ii) he has not submitted his resignation before December 31, 2020 (iii) Mr. Morillon submitted a (5) Five-Year Business Plan the Company to the Board of Directors so that the latter can definitively approve this plan no later than March 31, 2021, the Company undertakes that the Board of Directors will propose to the General Meeting of CIS called to approve the financial statements for the period ended December 31, 2020 to be held no later than June 30, 2021, to (i) authorise the implementation of a restricted stock unit plan (*plan d'actions gratuites*) for the benefit of Mr. Yannick Morillon and (ii) delegate all authority and power to the Board of Directors to define the detailed procedures of this plan and determine the corresponding conditions of performance.

It is specified that the number of shares that may be granted to Mr. Morillon will be subject to satisfying the conditions of presence and performance defined by the Board of Directors and may not exceed 1.5% of the Company's share capital.

Non-compete clause
Mr. Yannick Morillon does not benefit from any non-compete clause with respect to his corporate office.

Other compensation or benefits due or that may be due by Group companies, on the basis of his office
Mr. Yannick Morillon is not the beneficiary of any other compensation or benefit due or that may be due by Group companies, on the basis of his office.

Employment contracts combined with a corporate office
In addition to serving as an corporate officer as Deputy CEO, Mr. Yannick Morillon also has an employment contract as the Chief International Business Development Officer. Under the terms of his employment contract Mr. Morillon receives a gross fixed annual compensation of €154,000 and variable compensation calculated on the basis of the level of achievement of the objectives set each year for a maximum gross amount of €70,000, if all the objectives set are met and provided he is actually present within CIS at the time this bonus is paid.

3.3. COMPENSATION POLICY FOR BOARD MEMBERS

Each director of the Company receives compensation for their participation in the work of the Board and its committees.

The total annual amount of this compensation is determined each year by the General Meeting of the shareholders. The Board of Directors then freely allocate this amount among its members on the basis of their level of attendance at the meetings of the Board and, as applicable, its committees.

The total compensation paid to all members of the Board falls within the maximum amount of €220,000 set by the General Meeting of June 14, 2019.

The Board of Directors may also allocate exceptional compensation for ad hoc missions that may be assigned to certain directors. These agreements would in that case be subject to the procedure of regulated agreements of article L.225-38 of the French commercial code.

Finally, the Board may also authorise reimbursement of certain travel and other expenses incurred by directors in the interest of the Company.

If a director is appointed or leaves in the course of the year, the same principles will apply on a pro rata basis for the period the office is exercised.

Directors do not receive additional compensation for their participation in the meeting of the Strategy Committee and the Compensation Committee.

IV. Components of compensation paid or granted for fiscal 2019

4.1. COMPONENTS OF COMPENSATION PAID OR GRANTED TO EXECUTIVE OFFICERS

Summary of compensation granted to executive officers

In € thousands	**2019**	**2018**
RÉGIS ARNOUX, CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
Compensation paid for the year	€342,000	€342,000
Measurement of stock options granted in the period	N/A	N/A
Valuation of performance shares granted in the period	N/A	N/A
YANNICK MORILLON, DEPUTY CHIEF EXECUTIVE OFFICER		
Compensation paid on the basis of his corporate office for the fiscal year	€36,000	N/A
Compensation paid on the basis of his employment contract (for information only and not subject to the provisions of art. L 225-37-2, L.225-37-3 and L.225-100 of the French commercial code)	€83,000	N/A
Measurement of stock options granted in the period	N/A	N/A
Valuation of performance shares granted in the period	N/A	N/A

4.1.1. Components of compensation paid or granted to Mr. Régis Arnoux, Chairman-Chief Executive Officer

Information on the compensation paid or granted to Mr. Régis Arnoux for fiscal 2019 is provided in the tables presented below.

The different components of compensation have been determined in compliance with the compensation policy for the Chairman-CEO, approved by the shareholders at the General Meeting of June 14, 2019.

Summary of compensation paid or granted to the Chairman-CEO

(Gross annual amounts)	**2019**			**2018**		
	Amounts due	**Amounts paid**	**Paid vs. % Total paid**	**Amounts due**	**Amounts paid**	**Paid vs. % Total paid**
RÉGIS ARNOUX, Chairman and CEO						
Fixed compensation	€342,000	€342,000	100%	€342,000	€342,000	100%
Variable compensation	N/A	N/A	N/A	N/A	N/A	N/A
Directors' compensation	€20,000	€20,000	100%	€15,000	€15,000	100%
Long-term compensation	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in-kind	€9,324	€9,324	100%	€9,324	€9,324	100%
Total	**€371,324**	**€371,324**	**100%**	**€366,324**	**€366,324**	**100%**

In accordance with provisions of article L.225-100 of the French commercial code, the General Meeting of the shareholders of June 16, 2020 will be called to a vote on the draft resolution relating to fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2019 to Mr. Régis Arnoux (9th resolution), Chairman-CEO, as presented below:

Mr. RÉGIS ARNOUX, Chairman and Chief Executive Officer		
Components of compensation paid or granted for fiscal 2019	**Amounts**	**Comments**
Gross annual compensation	€342,000	Growth fixed compensation for fiscal 2019 as approved by the Annual General Meeting on June 14, 2019
Variable compensation	N/A	Not applicable
Benefits of any nature	€9,324	Mr. Arnoux benefits from the use of a company car
Pension and personal protection benefits	N/A	Not applicable
Severance benefit	N/A	Not applicable
Directors' compensation	€20,000	As director and Chairman of the Board of Directors of CIS, Mr. Arnoux receives director's compensation determined by the General Meeting and allocated by the Board of Directors
Long-term compensation	N/A	Not applicable
Other compensation or benefits due or that may be due by Group companies, on the basis of his office	N/A	Not applicable

4.1.2. Components of compensation paid are granted to Mr. Yannick Morillon, Deputy Chief Executive Officer

Mr. Yannick Morillon was appointed Deputy Chief Executive Officer as from June 17, 2019. Information on the compensation paid or granted to Mr. Yannick Morillon for fiscal 2019 is provided in the tables presented below.

Summary of compensation paid or granted to the Deputy CEO

(Gross annual amounts)	**Fiscal 2019** (from June 17, to December 31, 2019)		
	Amounts due	**Amounts paid**	**Paid vs. % Total paid**
YANNICK MORILLON, Deputy Chief Executive Officer			
Fixed compensation for serving as officer of the company	€35,750	€35,750	100%
Variable compensation for serving as an officer of the company	€15,000 to €30,000	to be determined	to be determined
Directors' compensation	N/A	N/A	N/A
Long-term compensation	N/A	N/A	N/A
Benefits in-kind	€3,250	€3,250	100%
Fixed compensation paid on the basis of his employment contract (for information only and not subject to the provisions of art. L.225-37-2, L.225-37-3 and L.225-100 of the French commercial code)	€83,417	€83,417	100%
Variable compensation paid on the basis of his employment contract (for information only and not subject to the provisions of art. L.225-37-2, L.225-37-3 and L.225-100 of the French commercial code)	€35,000 to €70,000	to be determined	to be determined
Total	**€122,417**	**€122,417**	**100%**

In accordance with provisions of article L.225-100 of the French commercial code, the General Meeting of the shareholders of June 16, 2020 will be called to a vote on the draft resolution relating to fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2019 to Mr. Yannick Morillon (10th resolution), on the basis of his office as Deputy Chief Executive Officer, as presented below:

Mr. YANNICK MORILLON, Deputy chief executive officer		
Components of compensation paid or granted for fiscal 2019 (from June 17, to December 31, 2019)	**Amounts**	**Comments**
Gross annual compensation	€35,750	Gross fixed compensation for fiscal 2019 as decided by the Board of Directors on May 16, 2019 prorated over his period of presence in the company.
Variable compensation	€15,000 to €30,000 according to achievement of the results linked to fixed objectives.	Gross variable portion linked to objectives
Benefits of any nature	€3,250	Mr. Morillon benefits from the use of a company car
Pension and personal protection benefits	N/A	Not applicable
Severance benefit	N/A	Not applicable
Directors' compensation	N/A	Not applicable, not a director
Long-term compensation	€0	The compensation of the Deputy Chief Executive Officer is destined to be supplemented by a long-term component involving stock awards as part of a specific plan that will be implemented and linked to predefined performance conditions. On condition that (i) Mr. Yannick Morillon exercises his office as Deputy CEO of CIS (ii) has not submitted his resignation before December 31, 2020 (iii) Mr. Morillon submitted a (5) Five-Year Business Plan the Company to the Board of Directors so that the latter and definitively approve this plan no later than March 31, 2021, the Company undertakes that the Board of Directors will propose to the General Meeting of CIS called to approve the financial statements for the period ended December 31, 2020 to be held no later than June 30, 2021, to (i) authorise the implementation of a restricted stock unit plan (*plan d'actions gratuites*) for the benefit of Mr. Yannick Morillon and (ii) delegate all authority and power to the Board of Directors to define the detailed procedures of this plan and determine the corresponding conditions of performance. It is specified that the number of shares that may be granted to Mr. Morillon will be subject to satisfying the conditions of presence and performance defined by the Board of Directors and may not exceed 1.5% of the Company's share capital.
Other compensation or benefits due or that may be due by Group companies, on the basis of his office	N/A	Not applicable

4.1.3. Fair pay ratio between the level of compensation of the executive officers and the average and median compensation of French employees of CIS SA

The following presentation is based on the provisions of Order No. 2019-1234 and its implementation decree No. 2019-1235, transposing the European Directive of May 17, 2017 as regards the encouragement of long-term shareholder engagement (the Shareholder Rights Directive II or "SRD II") and completing the provisions implemented by the "Sapin II" law, with the objective of ensuring the immediate compliance with the new transparency requirements with respect to the compensation of officers.

It discloses the ratio between the compensation of executive officers, namely Messrs. Régis Arnoux and Yannick Morillon (as from 06/2019) and the average and median compensation of a full-time equivalent basis for employees in France of CIS SA, other than those who are corporate officers.

The following ratios are calculated on the basis of the fixed and variable compensation of executive managers paid in the periods indicated below.

	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Chairman-Chief Executive Officer	**[351,324]**	**[351,324]**	**[351,324]**	**[253,324]**	**[183,324]**
Ratio on average compensation	[5.2]	[5.3]	[5.6]	[4.0]	[2.9]
Ratio on median compensation	[6.9]	[7.3]	[7.9]	[5.2]	[3.8]
Deputy Chief Executive Officer	**[35,750]**	**[149,683]**	**[142,744]**	**[58,068]**	**N/A***
Ratio on average compensation	[1.0]	[2.7]	[2.3]	[1.7]	N/A*
Ratio on median compensation	[1.3]	[3.8]	[3.2]	[2.2]	N/A*

* CIS did not have a Deputy CEO in 2015.

4.2. COMPENSATION PAID TO NON-EXECUTIVE DIRECTORS

In 2019, the total amount of compensation paid to directors allocated for 2018 amounted to €200,000 that was equally distributed among the directors (€20,000 per director).

In addition, for fiscal 2019, no additional compensation was allocated to directors as members of the Strategic Committee and Compensation Committee.

Compensation paid to each director in 2019 was as follows:
- FINRA, Director: €377,000 for rental payments and €20,000 for attendance fees.
- Monique Arnoux, Director: €20,000 for directors' attendance fees.
- Florence Arnoux, Director: €190,000 for wages and directors' attendance fees.
- Frédérique Salamon, Director: €48,000 for management fees and attendance fees as a member of the Board of Directors and the Audit and Risk Committee.
- CANTOS Ltd, Director: €20,000 for directors' attendance fees.
- Financière Lucinda, Director: €25,000 for attendance fees as a member of the Board of Directors and the Audit and Risk Committee.
- Frédéric Bedin, Director: €20,000 for directors' attendance fees.
- Marine Firminy, Director: €25,000 for attendance fees as a member of the Board of Directors and the Audit and Risk Committee.

- Gonzague de Blignières, Director: €20,000 for directors' attendance fees.
- YLD Conseil, Director: €20,000 for directors' attendance fees.

4.3. CIS SHARES HELD BY CORPORATE OFFICERS

i. Shares held by directors and officers

In accordance with the Company's articles of association, each director must hold at least one (1) CIS share (except for the director representing employee shareholders and directors representing employees).

ii. Dealings in company shares by officers and directors of the company and those persons mentioned in article L.621-18-2 of the French monetary and financial code

The following directors and officers of the Group subject to the obligation of self-reporting dealings in the Company's shares in 2019, and on the date of this report, declared the following transactions:

(In number of shares)	Period	Acquisitions	Disposals
La Masia Financière, Deputy CEO	02/2019	8.874	

4.4. STOCK OPTIONS, PERFORMANCE SHARES AND LONG-TERM INCENTIVE PLANS

Excluding the project to distribute restricted stock units (*actions gratuites*) to Mr. Yannick Morillon, Deputy CEO through a specific restricted stock unit plan to be put into place in 2021 subject to fulfilment of the aforementioned conditions, no other stock option or restricted stock unit plans have been implemented by the Company.

V. Draft resolutions on the compensation of executive officers subject to approval by the general meeting of june 16, 2020

EIGHTH RESOLUTION
Approval of the report on officer compensation for the period ended

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-100 II of this same code, the disclosures mentored in article L.225-37-3 I therein.

NINTH RESOLUTION
Approval of the components of total compensation and benefits of any nature paid or granted in 2019 Mr. Régis Arnoux, Chairman and Chief Executive Officer

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-100 II of this same code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2019 to the Chairman-CEO, Mr. Régis Arnoux, as presented herein.

TENTH RESOLUTION
Approval of the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted to Mr. Yannick Morillon, Deputy Chief Executive Officer

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-100 II of this same code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2019 to the Deputy CEO Mr. Yannick Morillon, as presented herein.

RESOLUTION ELEVEN
Approval of the compensation policy for executive officers for fiscal 2020

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-2 II of this same code, the compensation policy for executive officers for fiscal 2020 as described herein.

RESOLUTION TWELVE
Approval of the compensation policy for directors for fiscal 2020

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-2 II of this same code, the compensation policy for directors for fiscal 2020 as described herein.

VI. Related party transactions

This information is provided in note 19 to the consolidated financial statements for the period ended December 31, 2019.

VII. Summary of delegations of authority with respect to capital increases and other authorisations given to the board of directors

	Shareholders' meeting date	Maturity	Authorised amount
Share buyback programme	14/06/2019	13/12/2020	€14,071,820 10% of the share capital
Authorisation to grant restricted stock units by repurchasing existing shares or issuing new shares	N/A	N/A	N/A

VIII. Items with potential impacts in connection with public offerings

Factors that may have an impact in the event of public offers on the securities of CIS are presented below:

- Structure of CIS share capital: information on the share capital is provided in section VIII of the management report. In this regard, we remind you that the founder and Chairman of CIS, Mr. Arnoux, holds both directly and indirectly through FINRA of which he is a majority partner, 48.6% of the shares and 48.9% of the voting rights.

- Article 13.2 of CIS' articles of association provides for the existence of a double voting right.

- Finally for the record, a shareholders' agreement exists between the Arnoux and the Aloyan families executed on May 31, 1998 for an initial term of 15 years and modified by an amendment agreement of July 20, 2005. It is specified that unless terminated by one of the parties subject to a notice period of six months, this agreement is subject to tacit renewal by successive one-year periods. This agreement provides notably that (i) a clause defining the unrestricted transfers, (ii) reciprocal rights of pre-emption between the parties in the event of the transfer of CIS shares to a third-party, (iii) a joint exit clause in favour of the Aloyan family in the event of a transaction entailing the loss of the Arnoux family's majority stake in CIS' share capital and voting rights, (iv) compulsory buy-sell provision available to the Arnoux family in the case where a third-party acquires at least 90% of the company's share capital for a price equal to €50 million where Mr. Régis Arnoux has accepted the offer and (v) a non-compete clause between the parties.

  It should be noted that the Arnoux and Aloyan families hold 5,467,215 CIS shares representing 8,425,327 voting rights, or 67.9% of the capital and 77.4% of the voting rights of this company.

IX. Procedures relating to the participation of shareholders in general meetings

The General Meeting comprises all of the shareholders, regardless of the number of shares they hold. The rules and conditions for the participation of shareholders in general meetings are provided again in each meeting notice, in accordance with applicable provisions of the law, regulations and the articles of association and notably article 21 of the articles of association reproduced below.

The General Meeting meets at least once a year and is materially accessible to all shareholders.

ARTICLE 21 - GENERAL MEETINGS

21.1. Preliminary remarks

Decisions by shareholders are made in General Meetings.

Ordinary General Meetings shall be those that are held to vote on decisions that do not amend the articles of association or the nationality of the Company.

Extraordinary General Meetings shall be those called to decide or authorise direct or indirect amendments to the articles of association or the nationality of the Company.

Deliberations by the General Meetings are binding on all shareholders even if they are absent, dissenting or incapacitated.

21.2. Record of attendance - Committee - Minutes

1. *General Meetings are convened by the Board of Directors, or, failing that, by the Auditors, or by any person duly empowered for this purpose.*

   General Meetings are to be held at the registered office or at any other venue indicated in the notice of meeting.

   Before holding a shareholders' meeting, the Company is required to publish a meeting notice at least thirty-five days before the meeting in the "Bulletin des Annonces Légales Obligatoires", containing the information mentioned in article R.225-73 of the French commercial code.

   *General shareholders' meetings are called by a notice placed in a publication for legal announcements in the department of the registered office in addition to the French national publication for legal announcements (*Bulletin des Annonces Légales Obligatoires *or B.A.L.O.) at least fifteen clear days before the date of the Meeting.*

   Shareholders holding registered shares for at least one month from the date of publication of the notice of meeting will be called to attend any meeting by ordinary mail, even if they have not so requested.

   The meeting notice must be sent by registered letter to those shareholders having so requested and provided the Company with the amount corresponding to the registered mail costs.

   Joint owners of indivisible shares are called to meetings in the same manner. When shares are held in usufruct, the party holding the voting right is called in the same manner and under the same conditions.

   In addition, in compliance with article R.225-73-1 of the French commercial code, the supporting documents to the General Meeting will be available on the Company's website by the 21st day preceding the meeting which shall include notably the meeting agenda and resolutions.

   When the Meeting was unable to validly conduct proceedings due to the absence of the required quorum, the second Meeting, and where applicable, the postponed second meeting, are called at least ten days in advance in the same manner as for the first Meeting.

2. *The public notices of a meeting and the notice of call of meeting shall include the information provided for by law and notably the meeting agenda, the Company's electronic address to which the shareholders' written questions may be sent and, as applicable, the mention of the obligation to obtain the opinion or prior approval of the holders of securities giving access to the share capital.*

   The Meeting may only deliberate on the items on the agenda. It may however revoke one or more directors in any circumstances;

   One or more shareholders representing the percentage of capital required by law, may in accordance with legal requirements and within applicable time limits, request the inclusion of proposed resolutions on the agenda.

   In accordance with the provisions of articles R.225-71 to R.225-74 of the French commercial code, requests by shareholders to add draft resolutions to the agenda and written questions are sent to the registered office by registered letter with return receipt as from the publication date of the meeting notice and until twenty-five days *before the General Meeting or twenty-five days as from the publication of the meeting notice, when published more than forty-five days before the General Meeting date (date of receipt of the request by the Company which is taken into account).*

Requests for adding an item to the agenda must be justified. The request to add draft resolutions is accompanied by a draft text that may be accompanied a brief description of the reasons. Such requests shall be subject to the provision of proof of ownership or representation of the percentage of capital required by regulation.

In addition, in accordance with the provisions of article L.2323-67 paragraph 2 of the French labour code, requests for including draft resolutions by the works council, when such committee exists, shall be sent within ten days from the publication of the meeting notice.

3. *Every shareholder shall have the right to take part in General Meetings and in deliberations personally or by proxy, regardless of the number of shares held, on presentation of proof of identity and of share ownership. Evidence of the right to take part in General Meetings shall be shown by an entry in the accounts of the securities held in the name of the shareholder or the intermediary registered on his behalf, on the second working day prior to the General Meeting at midnight CET, or in the accounts of registered securities held by the company, or in the accounts of bearer securities held by an authorised intermediary. The record of shares in the accounts maintained by the authorised intermediary for bearer shares must be evidenced by a participation certificate (*attestation de participation*) issued by the latter, which must be attached to the voting form or the proxy or the request for an admission card (*carte d'admission*) established in the name of the shareholder or the registered intermediary on their behalf. A certificate is also issued to shareholders wishing to personally attend the Meeting who have not received their admission card on the second business day preceding the Meeting by midnight (CET).*

   Any shareholder may be represented by any other individual or legal entity of his or her choice in accordance with the conditions provided for by articles L.225-106 to L.225-106- 3 of the French commercial code, and to that purpose, must possess a proxy in writing.

   The legal representatives of shareholders who are legally incapacitated and natural persons representing legal entities may participate in the Meetings, regardless of whether or not they are shareholders themselves.

4. *Any shareholder may vote by mail using a form completed and sent to the Company under the conditions provided for by law and regulations and that must be received by the Company no later than 3 days before the Meeting date to be taken into account.*

   Distance voting by an electronic voting form or by proxy given by an electronic signature shall be exercised in accordance with regulations in force.

5. *All shareholders may also participate in General Meetings via videoconferencing or other means of telecommunications according to the conditions provided for by law and regulations which are to be mentioned in the meeting notice.*

6. *If applicable, two members of the works council, appointed by the council under the conditions provided for by law, may attend the General Meetings. They must be heard, if they so request, in respect of all actions requiring the unanimous vote of the shareholders.*

7. *An attendance sheet containing the information required by law is drawn up for each Meeting.*

8. *The Meetings are chaired by the Chair of the Board of Directors or by the longest serving director attending the Meeting Failing this, the shareholders' meeting appoints its own Chairman.*

   Vote counting shall be performed by two shareholders who are present and accept such duties, representing, either on their own behalf or as proxies, the greatest number of votes.

   The meeting officers shall name a secretary, who does not have to be a shareholder Meeting minutes are drawn up and copies or excerpts (short form certificates) are issued and certified in accordance with the law.

21.3. Quorum - Vote - Number of votes

1. *The quorum is calculated on the basis of the total number of shares making up the share capital, after deducting shares legally deprived of voting rights. In the case of distance voting, only those forms received by the Company before the Meeting in accordance with the conditions and deadlines established by decree, are counted in calculating the quorum.*

2. *Voting rights attached to the shares are proportional to the percentage of share capital such shares represent. At equal nominal value, each share of capital stock owned or possessed carries one vote.*

3. *For pledged shares, the voting right is exercised by the owners of the shares. The issuing Company is not authorised to vote using shares it has subscribed for, acquired or accepted as security and such shares are not taken into account in calculating the quorum.*

4. *Votes are cast by a show of hands, by standing or by a roll call according to the decision of the Meeting's officers.*

21.4. Ordinary General Meeting

An Ordinary General Meeting shall meet at least once per year, within six months of the close of the fiscal year, to approve the accounts of that fiscal year, subject to extension of this deadline by decision of a court of law.

The Ordinary General Meeting can validly conduct proceedings after the first notice of meeting, only if shareholders present, represented or voting by mail hold at least one-fifth of the shares with voting rights.

Upon the second convocation, no quorum is required. Decisions are made by a majority of votes held by the shareholders present or represented, including by shareholders voting by mail.

21.5. Extraordinary General Meeting

The Extraordinary General Meeting can modify all provisions of the articles of association and namely decide on the transformation of the company into a Company with another non-trading or commercial company form. It may not, however, increase shareholder commitments, except for properly executed transactions resulting from a share consolidation.

The Extraordinary General Meeting shall be authorised to validly conduct business, pursuant to the first meeting notice, only if all shareholders present, represented, or voting by mail represent at least one quarter of the shares carrying voting rights and, pursuant to the second call, one fifth of the shares with voting rights. If the latter quorum is not reached, the second Meeting may be postponed to a date no later than two months after the date for which it was called.

Decisions are made on the basis of a two thirds majority of shareholders present or represented or shareholders having voted by mail.

21.6. Shareholders' right to obtain information

All shareholders are entitled to access to documents necessary to allow them to have full knowledge of relevant facts and make informed judgements about the management and oversight of the Company.

The nature of these documents and the procedures for their transmission by mail or making them available are defined by applicable regulations.

Marseilles,
April 23, 2020

THE BOARD OF DIRECTORS

THE ANNUAL ORDINARY AND EXTRAORDINARY GENERAL MEETING OF JUNE 16, 2020

Agenda

AGENDA OF THE ANNUAL ORDINARY GENERAL MEETING

- Board of Directors' and Auditors' reports;
- Approval of the separate financial statements for the year ended December 31, 2019 and grant of discharge to directors (1st resolution);
- Approval of the consolidated financial statements for the year ended December 31, 2019 (2nd resolution);
- Appropriation of net profit for the period ending December 31, 2019 (3rd resolution);
- Approval of agreements and commitments entered into and or authorised by the Company and included in the Auditors' special report in accordance with articles L.225-38 *et seq.* of the French commercial code (4th resolution);
- Setting the annual amount of compensation granted to directors for fiscal 2019 (5th resolution);
- Renewal of CANTOS Ltd's term as Director (6th resolution);
- Renewal of Gonzague de Blignières's term as Director (7th resolution);
- Approval of the report on officer compensation for the period ended (8th resolution);
- Approval of the fixed, variable or exceptional components of total compensation and benefits of any nature paid in or granted for the period ended to Mr. Régis Arnoux, Chairman-Chief Executive Officer) (9th resolution);
- Approval of the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted to Mr. Yannick Morillon, Deputy Managing Director (10th resolution);
- Approval of the compensation policy for executive officers for fiscal 2020 (11th resolution);
- Approval of the compensation policy for directors for fiscal 2020 (12th resolution);
- Renewal of the authorisation given to the Board of Directors to deal in the Company's shares (13th resolution);
- Powers for legal formalities pursuant to the Ordinary General Meeting (14th resolution).

AGENDA FOR THE EXTRAORDINARY GENERAL MEETING

- Modification of articles 13.1.2 and 13.1.4 of the articles of association relating to the general provisions governing the rights and obligations attached to shares (15th resolution);
- Modification article 14 of the articles of association relating to ownership disclosure thresholds (16th resolution);
- Modification of article 16.5 of the articles of association on the Board of Directors' powers (17th resolution);
- Modification of article 17.1 of the articles of association on the Board of Directors' powers (18th resolution);
- Modification article 19 of the articles of association relating to regulated agreements (19th resolution);
- Modification article 21.3 of the articles of association relating to general meetings (20th resolution);
- Powers for legal formalities pursuant to the Extraordinary General Meeting (21st resolution).

THE ANNUAL ORDINARY AND EXTRAORDINARY GENERAL MEETING OF JUNE 16, 2020

Presentation of the reasons for the resolutions proposed by the Board of Directors

To the shareholders,

The purpose of this document is to present you the reasons for the resolutions submitted to the Annual Ordinary and Extraordinary General Meeting in accordance with article L.225-115 3° of the French commercial code.
The General Meeting of June 16, 2020 has accordingly been called mainly for the purpose of:

(i) Obtaining approval by the Company's shareholders of the annual and consolidated financial statements for the periods ended December 31, 2019, adopted by the Board of Directors;
(ii) Appropriating the profit for the year ended December 31, 2019;.
(iii) Approving the regulated agreements;
(iv) Setting and approving the annual amount of compensation granted to directors for fiscal 2019
(v) Renewing the offices of two directors whose terms are expiring;
(vi) Approving the report on officer compensation for the period ended;
(vii) Approving the fixed, variable or exceptional components of total compensation and benefits of any nature paid in the period ended or granted for the same period to Mr. Régis Arnoux, Chairman-Chief Executive Officer
(viii) Approving of the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted to Mr. Yannick Morillon, Deputy Managing Director;
(ix) Approving the compensation policy for executive officers for fiscal 2020;
(x) Approving the compensation policy for directors for fiscal 2020;
(xi) Renewal of the authorisation given to the Board of Directors to deal in the Company's shares;
(xii) Approving the modification of selected articles of the Company's articles of association to comply with the new provisions of French law applicable to the Company and notably Act No. 2019-486 of May 22, 2019 on the growth and transformation of businesses, (the PACTE Act) and Act No. 2019-744 of July 19, 2019 on the simplification of company law (the Soilihi Act).

I. Ordinary resolutions

1. APPROVAL OF THE SEPARATE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1st and 2nd resolutions

It is requested that you (i) approve the separate annual financial statements of the Company and the consolidated financial statements of CIS Group for fiscal 2019 and (ii) grant discharge to the directors for their management.
• The separate annual financial statements of the Company show a net profit of €3,004,045.04.
• The consolidated financial statements show a net profit attributable to equity holders of the parent of €5,363,626.

2. NET INCOME APPROPRIATION

3rd resolution

The Board of Directors proposes that the net profit for 2019 of €3,004,045.04 , be appropriated to "Other reserves" which would be thus increased to €24,578,171.68.

3. REGULATED AGREEMENTS

4th resolution

The purpose of this resolution is to submit to your approval the regulated agreements entered into in 2019 as described in the Auditors' special reports as referred to in articles L.225-38 *et seq.* of the French commercial code.

4. APPROVAL OF THE ANNUAL AMOUNT OF COMPENSATION GRANTED TO DIRECTORS FOR FISCAL 2019

5th resolution

The purpose of this resolution is to submit to your approval, after considering the Board of Directors' report on corporate governance, the amount of compensation granted to directors for fiscal 2019. In light of the Covid-19 crisis, the directors have proposed to reduce their compensation by 25%.

5. RENEWAL OF THE TERMS OF DIRECTORS THAT ARE EXPIRING

6th resolution

The office of the director of CANTOS LIMITED, represented by Henri de Bodinat, will expire at the end of the next general meeting of June 16, 2020.
We propose in consequence that you renew her office as director for a new term of three years that will expire at the end of the general meeting called to approve the financial statements for the year ending on December 31, 2022.

7th resolution

The office of director of Gonzague de Blignières will expire at the end of the next general meeting to be held on June 16, 2020.
We propose in consequence that you renew her office as director for a new term of three years that will expire at the end of the general meeting called to approve the financial statements for the year ending on December 31, 2022.

6. APPROVAL OF THE REPORT ON OFFICER COMPENSATION FOR THE PERIOD ENDED

8th resolution

The purpose of this resolution is to submit to your approval, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, the disclosures mentioned in article L.225-37-3 I of said code presented herein.

7. APPROVAL OF THE COMPONENTS OF TOTAL COMPENSATION AND BENEFITS OF ANY NATURE PAID OR GRANTED TO EXECUTIVE OFFICERS IN FISCAL 2019

9th resolution

The purpose of this resolution is to submit for your approval, in application of article L.225-100 II of the French commercial code and after considering the report on corporate governance referred to in article L .225-37of said code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2019 to the Chairman-CEO, Mr. Régis Arnoux, as presented herein.

10th resolution

The purpose of this resolution is to submit for your approval, in application of article L.225-100 III of the French commercial code and after considering the report on corporate governance referred to in article L .225-37 of said code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2019 to the Deputy CEO, Mr. Yannick Morillon, as presented herein.

8. APPROVAL OF THE COMPENSATION POLICY FOR EXECUTIVE OFFICERS AND DIRECTORS FOR FISCAL 2020

11th and 12th resolutions

The purpose of these resolutions is to submit for your approval, in application of article L.225-37-2 II of the French commercial code and after considering the report on corporate governance, the compensation policy for executive officers and directors for fiscal 2020 as described herein.

9. RENEWAL OF THE AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO DEAL IN THE COMPANY'S SHARES

13th resolution

The general meeting held on June 14, 2019, according to the terms and conditions set forth in the corresponding resolution, authorised the Board of Directors, and vested it with all powers to that effect, in accordance with the provisions of Articles L.225-209 to L.225-214 of the French commercial code and AMF regulations, to purchase company shares.

This authorisation was granted for a period of eighteen months that will expire on December 13, 2020.

We accordingly request that you renew this authorisation for a new period of eighteen months subject to the following conditions: a maximum purchase price of thirty-five (35) euros and within the legal limit of 10% of the share capital, whereby it is specified that (i) when shares are repurchased to promote the liquidity of the share, the number of shares that may be taken into account to calculate this limit shall correspond to the number of shares purchased minus shares sold during the period this authorisation is valid and (ii) the number of shares acquired by the company for subsequent use for payment or exchange in connection with a merger, demerger or contribution may not exceed 5% of the share capital.

Under the authorisation granted by the general meeting, the Board of Directors acquired and sold shares of the Company in 2019 for the purpose of maintaining an orderly market in its shares.

At December 31, 2019, the Company held 203,869 own shares in treasury compared with 191,245 shares at December 31, 2018.

II. Extraordinary resolutions

15th resolution

This resolution submits for your approval the modification of articles 13.1.2 and 13.1.4 of the Company's articles of association for the purpose of simplifying and updating the wording of the rules describing the legal obligation to inform the Company and the French financial market authority, the AMF, about holdings of a number of shares and voting rights equal to or greater than the legal thresholds for these holdings.

16th resolution

This resolution submits for your approval modifications to article 14 of the Company's articles of association for the purpose of simplifying and updating the wording of procedures for appointing a director representing Company employees on the Board of Directors to comply with Act No. 2019-486 of May 22, 2019 (the PACTE Act).

17th resolution

This resolution submitted for your approval the modification of article 16.5 of the Company's articles of association for the purpose of using the technical requirements for participating in the meetings of executive bodies by extending to directors the possibility of participating in meetings of the Board of Directors by means of telecommunications.

18th resolution

This resolution submits for your approval the modification of article 17.1 of the Company's articles of association for the purpose of updating the wording of said article, pursuant to the application of Act No. 2019-486 of May 22, 2019 (the PACTE Act) which requires the Company to define a "social purpose" ("*raison d'être*") in its articles of association, which must be managed in accordance with its corporate interest by taking into account the social and environmental factors of its business.

19th resolution

This resolution submits for your approval the modification of article 19 of the Company's articles of association for the purpose of simplifying and updating the wording of procedures applying to regulated agreements pursuant to the application of Act No. 2019-486 of May 22, 2019 (the PACTE Act).

20th resolution

This resolution submits for your approval the modification to article 21.3 of the Company's articles: association for the purpose of updating the rules for calculating the majority for decisions of the ordinary and extraordinary general meetings of the Company, pursuant to the application of Act No. 2019-744 of July 19, 2019 on the simplification of company law (the Soilihi Act) which notably indicates that votes expressed by shareholders present or represented shall not include those attached to shares for which the shareholder has not participated in the vote, has abstained or returned a blank or invalid vote.

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We hope that these proposals will meet with your approval and that you will approve in consequence the resolutions submitted to your vote.

Marseilles,
April 23, 2020

THE BOARD OF DIRECTORS

THE ANNUAL ORDINARY AND EXTRAORDINARY GENERAL MEETING OF JUNE 16, 2020

Text of draft resolutions

I. Ordinary resolutions

FIRST RESOLUTION

Approval of the separate parent company financial statements for the year ended December 31, 2019

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary shareholders' meetings, after considering the reports of the Board of Directors and the Statutory Auditors, approve the separate annual financial statements for the fiscal year ended December 31, 2019 including the balance sheet, income statement and notes thereto, as presented, as well as the transactions reflected in these accounts and summarised in these reports, showing a net profit of €3,004,045.04.

In consequence, the shareholders grant a full and unconditional discharge to the directors for their management for the period under review.

SECOND RESOLUTION

Approval of the consolidated financial statements for the year ended December 31, 2019

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary shareholders' meetings, after considering the reports of the Board of Directors and the Statutory Auditors, approve the consolidated financial statements for the fiscal year ended December 31, 2019 including the balance sheet, income statement and notes thereto, as presented, as well as the transactions reflected in these accounts and summarised in these reports, showing a net profit of €5,363,626.

THIRD RESOLUTION

Appropriation of earnings for the financial year ended December 31, 2019

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, decide to appropriate the net profit of 2019 of €3,004,045.04 to "Other reserves" which will be thus increased to €24,578,171.68 .

The shareholders duly note as required by law dividends amounts distributed for the last three financial periods:

	2016	2017	2018
Number of shares entitled to dividends	8,041,040	8,041,040	8,041,040
Net dividend per share	€0.06	€0.11	€0.12
Closing share price at year-end	€16.90	€16.99	€9.16

FOURTH RESOLUTION

Approval of agreements and commitments entered into and/or authorised by the Company and included in the Auditors' special report in accordance with articles L.225-38 *et seq.* of the French commercial code

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the auditors' special report on agreements covered by article L.225-86 of the French commercial code, approve this report and the agreements mentioned therein.

FIFTH RESOLUTION

Setting the annual amount of compensation granted to directors for fiscal 2019

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report on corporate governance, decide to allocate a total amount of €165,000 to members of the Board of Directors for fiscal 2019.

SIXTH RESOLUTION

Renewal of Cantos Limited's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings and after considering the Board of Directors' report, decide to renew the term office of CANTOS LIMITED, represented by Mr. Henri de Bodinat, for a new term of three years that will expire at the end of the General Meeting called to approve the financial statements for the year ended December 31, 2022.

SEVENTH RESOLUTION

Renewal of Gonzague de Blignières' term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings and after considering the Board of Directors' report, decide to renew Mr. Gonzague de Blignières' term office for a new term of three years that will expire at the end of the General Meeting called to approve the financial statements for the year ended December 31, 2022.

EIGHTH RESOLUTION

Approval of the report on officer compensation for the period ended

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-100 II of this same code, the disclosures mentored in article L.225-37-3 I therein.

NINTH RESOLUTION

Approval of the components of total compensation and benefits of any nature paid or granted in 2019 Mr. Régis Arnoux, Chairman and Chief Executive Officer

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-100 II of this same code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2019 to the Chairman-CEO, Mr. Régis Arnoux, as presented herein.

TENTH RESOLUTION

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted to Mr. Yannick Morillon, Deputy Chief Executive Officer

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-100 II of this same code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2019 to the Deputy CEO Mr. Yannick Morillon, as presented herein.

RESOLUTION ELEVEN

Approval of the compensation policy for executive officers for fiscal 2020

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-2 II of this same code, the compensation policy for executive officers for fiscal 2020 as described herein.

RESOLUTION TWELVE

Approval of the compensation policy for directors for fiscal 2020

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the report on corporate governance referred to in article L.225-37 of the French commercial code, approve, in application of article L.225-2 II of this same code, the compensation policy for directors for fiscal 2020 as described herein.

THIRTEENTH RESOLUTION

Renewal of the authorisation given to the Board of Directors to deal in the Company's shares

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the Board of Directors' report:

- **authorise** the Board of Directors, with the option to further delegate this authority under the conditions provided by law, for a period of eighteen (18) months from this date, to acquire shares of the Company in accordance with the provisions of articles L.225-209 *et seq.* of the French commercial code, of the European Regulation of December 22, 2003 No. 2273/2003, and the instructions for its application, Title IV of Book II of the General Regulation of the French Financial Market Authority and the implementation instructions;

- **decide** that the shares may be acquired, sold or transferred by any means, through one or more instalments, notably on or off market, including through block trades, tender bids, and by using options or other derivatives, in accordance with the provisions provided for by the market authorities in compliance with applicable regulations,

- **decide** that this authorisation may be used to:
  - ensure the orderly trading of the Company's shares in connection with a liquidity agreement concluded between an investment services provider complying with the conduct of business rules recognised by the French financial market authority (Autorité des Marchés Financiers or AMF);
  - meet obligations resulting from stock option plans, bonus share grants, employee stock ownership programs and other share grants to employees and executive officers of the Company or companies affiliated with it;
  - remit shares following the exercise of rights attached to securities giving access to the capital;
  - purchase shares to be retained for future use for payment or exchange in connection with possible acquisitions; or
  - cancel all or part of shares thus acquired.

- **decide** to set the unit price for the purchase of shares (excluding transaction costs and commissions) at €35 subject to a maximum amount of €14,071,820, including shares already held, it being specified that this purchase price shall be subject to adjustments that may be rendered necessary to take into account transactions affecting the share capital (notably in the case of the capitalisation of reserves, bonus share grants stock splits or reverse splits) occurring during the period authorisation is in force,

- **duly note** that the maximum number of shares that may be acquired by virtue of this resolution may not exceed at any time 10% of the share capital, whereby it is specified that (i) when shares are repurchased to promote the liquidity of the share, the number of shares that may be taken into account to calculate this limit shall correspond to the number of shares purchased minus shares sold during the period this authorisation is valid and (ii) the number of shares acquired by the company for subsequent use for payment or exchange in connection with a merger, demerger or contribution may not exceed 5% of the share capital,

- **decide** that these transactions may be carried out at any time, including, within the limits provided for by applicable regulations, during periods of public tender offers for the Company's shares,

- **grant all powers** to the Board, which it may further delegate in accordance with provisions provided for by law, to place all stock market orders, execute any assignments or transfers, conclude all agreements, liquidity contracts, option contracts, make all representations and perform all formalities that may be required.

This authorisation cancels and supersedes any prior authorisation having the same purpose.

FOURTEENTH RESOLUTION

Powers for legal formalities pursuant to the Ordinary General Meeting

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, delegate all powers to the holder of a copy or short-form certificate of this document to carry out formalities that may be required by law.

II. Extraordinary resolutions

FIFTEENTH RESOLUTION

Modification of articles 13.1.2 and 13.1.4 of the articles of association relating to the general provisions governing the rights and obligations attached to shares

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders meetings and after considering the Board of Directors' report on the draft resolutions, decide to modify articles 13.1.2 and 13.1.4 of the articles of association which will henceforth be worded as follows:

"13.1.2 Possession of a share entails by operation of the law adherence to the decisions of the general meeting and these articles of association.

The heirs, creditors, beneficiaries or other representatives of a shareholder may not, for any reason whatsoever, require the seizure of corporate assets and documents, request the division or sale by auction of these assets, or interfere in the administration of the Company. To exercise their rights, they must refer to the records of the corporate assets and decisions of the capital Meeting."

"13.1.4 Any natural person or legal entity, acting alone or in concert, who comes to own directly or indirectly a number of shares or voting rights exceeding the statutory thresholds, must inform the French financial market authority, the AMF, and the Company, within the time frames and manners provided for by the applicable laws and regulations.

These provisions also apply went crossing below these statutory thresholds.

In the event of non-compliance with the disclosure obligations and the information referred to above, shares exceeding the fraction that should have been reported will be deprived of voting rights at all shareholders' meetings held for a period of two years after the date on which the requisite disclosure is finally made."

SIXTHTEENTH RESOLUTION

Modification of article 14 of the articles of association on the Board of Directors' powers

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders meetings and after considering the Board of Directors' report on the draft resolutions, decide to modify article 14 of the articles of association as follows:

"ARTICLE 14 - THE BOARD OF DIRECTORS

14.1 Directors elected by the shareholders' General Meeting

14.1.1 Unless otherwise permitted by law, the Company is governed by a Board of Directors of not be less than three and not more than eighteen members, appointed by the Ordinary General Meeting of the shareholders.

14.1.2 Each director must own at least one (1) share of the Company during for the entire duration of his or her term of office.

14.1.3 Directors may be natural persons or legal entities. Directors who are legal entities are required, when appointed, to designate a permanent representative which is subject to the same conditions and obligations and incurs the same liabilities as director acting in his or her own name, without prejudice to the joint and several liabilities of the legal entity they represent.

When the legal entity director terminates the office of its permanent representative, it must immediately notify the Company by registered letter of its decision and the identity of its new permanent representative. This also applies in the case of the death or resignation of the permanent representative.

14.1.4 No person shall be appointed director if, as a result of having exceeded the age of 85, more than one third of the Board's members are above this age. If this proportion is exceeded, the oldest director serving on the board shall be considered to have automatically resigned on the date of the Ordinary General Meeting called for the purpose of approving the accounts for the fiscal year in which this proportion was exceeded.

14.1.5 The term of the office of directors is three (3) years.

These functions expire at the end of the Ordinary General Meeting called to approve the financial statements for the period ended and held in the year in which their term of office of the director in question expires.

Directors' appointments may be renewed. They may be removed at any time by decision of the Ordinary General Meeting.

14.1.6 Should the offices of one or more directors become vacant, the Board of Directors may appoint directors on an interim basis between two General Meetings to complete the Board's membership. These appointments must be made within three months of the vacancy, when the number of directors has fallen below the minimum provided for under the articles of association, without however falling below the legal minimum.

Temporary appointments thus made by the Board of Directors shall be subject to ratification by the next Ordinary General Meeting. Failing this ratification, the proceedings and actions taken will nevertheless remain valid.

When the number of directors is less than the legal minimum, the directors remaining in office must immediately call the Ordinary General Meeting for the purpose of completing the Board's membership.

A director appointed to replace another shall stay in office only for the remaining term of his/her predecessor.

14.1.7 Directors who are natural persons are subject to the same legal and regulatory provisions applicable with respect to holding multiple offices.

14.1.8 An employee of the Company can be appointed director only if his or her employment contract effectively corresponds to an actual job. He or she does not lose the benefit of this employment contract. The number of directors bound to the Company by an employment contract may not represent more than one third of the Board's members.

14.1.9 The General Meeting may allocate directors as compensation for their activity a fixed annual amount determined in this meeting, without being bound by previous decisions.
The Board of Directors freely allocate among its members the total amount allocated to directors

14.2 Directors representing employees

14.2.1 In application of the provisions of law, when the number of members of the Board of Directors calculated in accordance with the provisions of article L.225-27-1 II of the French commercial code is less or equal to eight, a director representing the employees is designated by the Company's employees. When the number of members of the Board of Directors is greater than eight, a second director representing the employees is designated by the Company's employees. When two directors representing employees are designated, the employees of the Company must appoint a woman and man respectively.
To this purpose, an election is accordingly organised for employees of the Company and its subsidiaries, direct or indirect, whose registered office is located in France under the conditions provided for in article L.225-28 of the French commercial code.
When the number of members of the Board of Directors, initially greater than eight, becomes equal to or less than eight members, the office of the Director appointed by the employees of the Company is maintained until its term expires.
In accordance with provisions of article L.225-28 of the French commercial code, the director or directors representing the employees of the Company must hold an employment contract with the Company or one of its direct or indirect subsidiaries having a registered office in France, at least two years before their appointment and corresponding to an actual employment. The office of directors representing employees enters into effect with the notice of the first meeting of the Board of Directors following their appointment by the Company's employees. Directors representing employees are not taken into account for the purpose of determining the maximum or minimum number of directors provided for by the French commercial code and the provisions of this article or for the application of paragraph 1 of article L.225-18-1 of the French commercial code.

14.2.2 In application of article L.225-25 paragraph 3 of the French commercial code, directors representing employees are not required to own shares of the Company during their term of office.

14.2.3 The director representing employees is appointed for a three-year term expiring at the end of the Ordinary General Meeting of the shareholders called to approve the financial statements for the period ended and held in the year in which the term of office of said director expires.
The offices of directors representing employees are renewable.
The office of the director representing employees expires in advance under the conditions provided for by law and this article, and notably in the event of the termination of his or her employment contract.
If the conditions of application of article L.225-27-1 of the French commercial code are not fulfilled at the end of the period, the office of the director or directors representing employees expires at the end of the meeting in which the Board of Directors duly notes the removal of the Company from the scope of the Law's application.
In the event of a vacancy for whatever reason whatsoever of a seat of a director representing employees, the vacant seat will be fulfilled in accordance with the conditions set by article L.225-34 of the French commercial code. It is specified that on the date of the replacement of the director or directors representing employees, the Board of Directors may continue to validly meet and conduct its proceedings.

14.2.4 Directors representing employees possess a right to vote in the meetings. Subject to those provisions which apply specifically to them, directors representing employees possess the same rights, are subject to the same obligations, notably in terms of confidentiality, and incur the same liabilities as other directors."

SEVENTEENTH RESOLUTION
Modification of article 16.5 of the articles of association relating to Board of Directors' meetings and proceedings

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders meetings and after considering the Board of Directors' report on the draft resolutions, decide to modify article 16.5 of the articles of association as follows:

"16.5 In accordance with the provisions of the Board charter, directors who attend the Board meeting through videoconferencing or telecommunications means in accordance with applicable regulations, are deemed present for determining the quorum and majority. This provision does not apply for the adoption of the following decisions:
- *appointment, compensation, removal of the Chairman, Chief Executive Officer and deputy chief executive officers;*
- *closing the separate annual accounts, the consolidated accounts and producing the corresponding reports."*

EIGHTEENTH RESOLUTION
Modification of article 17.1 of the articles of association relating to the Board of Directors' powers

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders meetings and after considering the Board of Directors' report on the draft resolutions, decide to modify article 17.1 of the articles of association as follows:

"17.1 The Board of Directors sets the business priorities of the Company and ensures their implementation, in accordance with the corporate interest, by taking into account the social and environmental priorities of its business. It also takes into consideration, as applicable, the corporate purpose of the Company defined in application of article 1835 of the French Civil Code. Subject to the powers granted to shareholders' General Meetings, and within the limits of the corporate purpose, the Board considers any question relevant to the proper operation of the company and settles the Company's affairs through its proceedings.
In dealings with third parties, the Company shall be bound also by actions of the Board of Directors that do not fall within the scope of the corporate purpose, unless it proves that the third party knew that the action in question exceeded that purpose or that this could not be unknown by the third party in view of the circumstances, it being specified that the mere publication of the articles of association does not constitute such proof."

NINETEENTH RESOLUTION
Modification of article 19 of the articles of association relating to regulated agreements

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders meetings and after considering the Board of Directors' report on the draft resolutions, decide to modify article 19 of the articles of association as follows:

"ARTICLE 19 - REGULATED AGREEMENTS

Subject to the provisions of articles L.225-38 et seq. of the French commercial code the Company."

TWENTIETH RESOLUTION

Modification of article 21.3 of the articles of association relating to General Meetings

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary shareholders meetings and after considering the Board of Directors' report on the draft resolutions, decide to modify article 21.3 of the articles of association as follows:

"21.3 Quorum - Vote - Number of votes

1. *The quorum is calculated on the basis of the total number of shares making up the share capital, after deducting shares legally deprived of voting rights.*
   In the case of distance voting, only those forms received by the Company before the Meeting in accordance with the conditions and deadlines established by decree, are counted in calculating the quorum.
2. *Voting rights attached to the shares are proportional to the percentage of share capital such shares represent. At equal nominal value, each share of capital stock owned or possessed carries one vote.*
3. *For pledged shares, the voting right is exercised by the owners of the shares. The issuing Company is not authorised to vote using shares it has subscribed for, acquired or accepted as security and such shares are not taken into account in calculating the quorum.*
4. *Votes are cast by a show of hands, by standing or by a roll call according to the decision of the Meeting's officers.*
5. *Decisions by the shareholders' Meeting are expressed on the basis of a majority vote of shareholders present or represented. Votes expressed do not include those attached to shares for which the shareholder has not participated in the vote, has abstained or returned a blank or invalid vote."*

TWENTY FIRST RESOLUTION

Powers for legal formalities pursuant to the Extraordinary General Meeting

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary general meetings, delegate all powers to the holder of a copy or short-form certificate of this document to carry out formalities that may be required by law.

STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended December 31, 2019

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. The Statutory Auditors' Report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting of Catering International & Services,

Opinion

In accordance with the terms of our engagement as auditors by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Catering International & Services for the year ended December 31, 2019. The financial statements were adopted by the Board of Directors on April 23, 2020 based on information available on that date within the changing environment of the health crisis caused by the Covid-19 epidemic.

In our opinion, the consolidated financial statements give a true and fair view of the results of the operations of the Group for the year that ended and of its financial position and its assets and liabilities as at December 31, 2017 in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors" Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2019 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 or in the French Code of ethics for statutory auditors.

Observation

Without qualifying the opinion expressed above, we draw your attention as an emphasis of matter to note 14 "Cash and cash equivalents" to the consolidated financial statements concerning the non-collection of the dividends of the Algerian subsidiary, CNA.

We draw your attention as an emphasis of matter to the change in accounting method relating to the first-time application of IFRS 16 "Leases", as described in note 2 in the paragraph "Leases" of the notes to the consolidated financial statements.

Justification of assessments - Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French commercial code ("*Code de commerce*") relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, adopted under the conditions previously described, and in forming our opinion thereon, and we do not provide a separate opinion on specific elements, accounts or items of the consolidated financial statements.

Measurement of goodwill

Identified risk	In connection with its development, the Group made a targeted acquisitions (in Algeria and Brazil) resulting in the recognition of goodwill. This goodwill corresponding to the positive difference between the acquisition cost of the securities of the acquiree and the fair value of the assets, liabilities and contingent liabilities on the acquisition date, is allocated to the Cash Generating Unit (CGU) corresponding to the country in which the acquisition is integrated. This allocation is coherent with the internal organisation established by the Group where CGUs are defined at the country level. Management ensures for each financial period that the carrying value of goodwill recognised in the balance sheet in the amount of €14.4 million is not greater than the recoverable value and does not present a risk of impairment. However, any unfavourable change in expected returns from the businesses to which goodwill has been allocated, due to internal or external factors, for example, those related to the economic or regulatory environment in which the business operates, could significantly impact the recoverable value and require the recognition of an impairment charge. A change of this nature will require a reassessment of the relevance of all assumptions adopted to determine this value as well as the reasonable and coherent nature of the calculation parameters. The procedures used to test for impairment are described in note 2, chapter "Intangible assets" and detailed information on the assumptions adopted are presented in note 8 to the consolidated financial statements; The recoverable value was determined in reference to value in use calculated from the present value of estimated future cash flows expected to arise from the group of assets making up the business. The determination of the recoverable value of goodwill is largely based on management judgments, consisting notably of budget data, the rate of growth used to estimate future cash flows and the corresponding discount rate applied. For that reason we considered the valuation of the goodwill as a key audit matter.

Responses as part of our audit	We assessed the compliance of the methodology applied by the company with applicable accounting standards. We also performed a critical examination of the manner in which this methodology was implemented and verified in particular: • the exhaustive nature of the components of the CGUs tested and the consistency of the determination of this amount with the manner that the estimated future cash flows were determined for value in use; • the reasonable nature of the estimated future cash flows in relation to the economic and financial environment in which the subsidiaries constituting the CGU operate and the reliability of the processes for producing estimates by examining the causes for the differences between forecasts and actual amounts. • the consistency of these estimated future cash flows with the latest estimates of management as presented to the board of directors in connection with the budget process; • the consistency of the growth rate used for the estimated future cash flows with analysis of the market and consensus of the main market players; • the calculation of the discount rate applied to estimated future cash flows expected from the CGU, by verifying the different discounting parameters making up the weighted average cost of capital (debt ratio, risk free rate, market premium, the beta of capital employed, the “specific” risk premium and the borrowing costs) in order to compare the rate of return that participants in the market would currently require from such a business; • analysis of the sensitivity of value in use adopted by management to a change in the main assumptions. • Finally, we verified that notes 2 and 8 to the consolidated financial statements provided appropriate information.

Specific procedures

As required by French law and regulations, we also performed the specific verifications, in accordance with professional standards applicable in France, of the information provided on the group presented in the Board of Directors’ management report adopted on April 23, 2020.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

With respect to events and information known after the closing date of the financial statements relating to the crisis linked to Covid-19, management indicated that the information on this subject will be provided to the general meeting called to approve the financial statements.

We attest that the consolidated non-financial statement required by article L.225-102-1 of the French commercial code is included in the information presented in the Group management report, it being specified that, in accordance with the provisions of article L.823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein which should be reported on by an independent assurance services provider.

Report on other legal and regulatory requirements

Appointment of the auditors

We were appointed as statutory auditors of Catering International & Services by your general meeting of June 6, 2016.

As at December 31, 2019, Audit Conseil Expertise was in its fourth period and SYREC in its fourteenth period of engagement respectively and for identical periods since the company's shares were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements are the responsibility of the Board of Directors.

Statutory auditors' responsibilities for the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified by article L.823-10-1 of the French commercial code (“*Code de commerce*”), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company’s management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, we exercise professional judgment throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;

- Evaluate the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

Report to the Audit and Risk Committee

We submit a report to the Audit Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention, if need be, any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes information about the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the Audit and Risk Committee with the declaration referred to in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as defined in particular by articles L.822-10 to L.822-14 of the French commercial code ("*Code de commerce*") and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

Marseilles,
April 23, 2020

THE STATUTORY AUDITORS

French original signed by:

SYREC	**Audit Conseil Expertise, SAS** Member of PKF International
Luc-René CHAMOULEAU	Guy CASTINEL

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended December 31, 2019

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. The Statutory Auditors' Report includes information specifically required by French law in such reports, whether qualified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures. This report also includes information relating to the specific verification of information given in the Group management report and in the documents addressed to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting of Catering International & Services,

Opinion

In accordance with the terms of our engagement as auditors by your Annual General Meeting, we have audited the accompanying annual financial statements of Catering International & Services for the year ended December 31, 2019. The financial statements were adopted by the Board of Directors on April 23, 2020 based on information available on that date within the changing environment of the health crisis caused by the Covid-19 epidemic.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Risk Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors Responsibilities for the Audit of the Annual Financial Statements" section of our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2019 to the issue date of our report and in particular we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) N° 537/2014 or in the French Code of ethics for statutory auditors.

Observation

Without qualifying the opinion expressed above, we draw your attention as an emphasis of matter to note "Statutory disclosures on the accounts receivable and payable aged trial balance" to the annual financial statements concerning the non-collection of the dividends of the Algerian subsidiary in the amount of €28,406,000.

Justification of assessments - Key audit matters

In accordance with the requirements of articles L.823-9 and R.823-7 of the French commercial code ("*Code de commerce*") relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the annual financial statements as a whole, adopted under the conditions previously described, and in forming our opinion thereon, and we do not provide a separate opinion on specific elements, accounts or items of the annual financial statements.

Measurement of equity interests

Identified risk	Securities representing a net amount of €10,378,000 at December 31, 2019 represent one of the most important line items in the balance sheet. On the date of their initial recognition they are recorded at their acquisition cost and, when appropriate, are written down by recording a provision to take into account their present value at year end. As indicated in note 2, "financial assets", the present value at year end is generally determined in reference to the share of equity held in the companies concerned, which may be adjusted for future cash flows based on a three-year business plan and including a terminal value. The estimation of the present value of these securities requires judgments by management in the choice of items to consider according to the investments in question, which may correspond to historical (equity) or forward-looking items (earnings prospects and the economic trends in the country in question). Competition and the economic and geopolitical environment facing certain subsidiaries, as well as the geographical location of some of the subsidiaries may lead to a decline in their business and a deterioration in their operating performance. In this context and in light of the inherent uncertainties associated with certain items and notably the likelihood of meeting forecasts, we have considered that the correct evaluation of equity interests, the corresponding receivables (notably current accounts) and provisions for contingencies constitutes a key audit point.

Responses as part of our audit	To assess the reasonable nature of the estimate of value in use of the equity interests, based on the information provided to us, our work has consisted mainly in verifying that the estimate of these values by management is based on an appropriate justification of the methods of evaluation and the quantitative data used and in consequence: For the assessments based on historic data: • ensuring that the shareholders equity applied is consistent with the accounts of the entities subject to audit or analytical procedures and that adjustments made, as applicable, to this equity capital are based on supporting documentation. For the assessments based on forward-looking data: • obtaining the cash flow forecasts and operating forecasts for the activities of the entities concerned produced by their operational divisions and assess their consistency with the forward-looking data based on the latest strategic plans, produced under the supervision of their executive management for each of these businesses and approved, when applicable, by the Board of Directors; • verifying the consistency of assumptions adopted with the economic environment on the balance sheet date and the date the financial statements were produced; • comparing the forecasts used for prior periods with actual results in order to assess the achievement of past objectives; • verifying that the value resulting from the cash flow forecasts has been adjusted to reflect the amount of debt held by the entity in question. In addition to assessing the values in use of the equity interests, our work has also consisted in: • assessing the recoverable nature of related receivables (notably current accounts) with respect to analysis performed of the equity interests; • verifying the recognition of a provision for contingencies in cases where the company has undertaken to incur the losses of a subsidiary with negative equity.

Specific procedures

We have also performed the other specific procedures required by French law and regulations, in accordance with professional practice standards applicable in France.

Information given in the management report and other documents addressed to shareholders with respect to the financial position and the annual financial statements

We have no matters to report regarding the fair presentation and consistency with the financial statements of the information given in the management report of the Board of Directors and the other documents addressed to the shareholders in respect of the financial position and the annual financial statements.

With respect to events and information known after the closing date of the financial statements relating to the crisis linked to Covid-19, management indicated that the information on this subject will be provided to the general meeting called to approve the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in article D.441-4 of the French commercial code.

Report on corporate governance

We certify that the Board of Directors' report on corporate governance includes the information required by articles L.225-37-3 and L.225-37-4 of the French commercial code.

Concerning the information given in accordance with the requirements of article L.225-37-3 of the French commercial code relating to compensation and benefits paid to corporate officers and any other commitments made in their favour, we have verified their consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company, from companies controlling your Company or controlled by it. On the basis of this work, we certify that these disclosures are accurate and fairly stated.

Concerning the information relating to items that your company considers may have an impact in the case of a takeover bid or a public exchange offer provided in application of the provisions of L.225-37-5 of the French commercial code, we have verified their consistency with relevant source documents. Based on this work, we have no matters to report in connection with the information given.

Other disclosures

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the auditors

We were appointed as statutory auditors of Catering International & Services by your general meeting of June 6, 2016.

As at December 31, 2019, Audit Conseil Expertise was in its fourth period and SYREC in its fourteenth period of uninterrupted engagement, of which the fourth and fourteenth respectively period since the company's shares were admitted to trading on a regulated market.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

These annual financial statements were adopted by the Board of Directors.

Statutory auditors' responsibilities for the audit of the annual financial statements

Objective and audit approach

Our role is to issue a report on the annual financial statements. Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified by article L.823-10-1 of the French commercial code ("*Code de commerce*"), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, we exercise professional judgment throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, we issue a qualified opinion or no opinion at all;

- Evaluate the overall presentation of the annual financial statements and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Report to the Audit and Risk Committee

We submit a report to the Audit and Risk Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention, if need be, any significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Risk Committee includes information about the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the Audit and Risk Committee with the declaration referred to in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as defined in particular by articles L.822-10 to L.822-14 of the French commercial code ("*Code de commerce*") and in the French Code of ethics for statutory auditors. Where appropriate, we discuss with the Audit and Risk Committee the risks that may reasonably be thought to bear on our independence and the related safeguards.

Marseilles,
April 23, 2020

THE STATUTORY AUDITORS

French original signed by:

SYREC	**Audit Conseil Expertise, SAS** Member of PKF International
Luc-René CHAMOULEAU	Guy CASTINEL

STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS

Financial year ended December 31, 2019

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

To the General Meeting of Catering International & Services,

In our capacity as Statutory Auditors of your Company, we hereby report on regulated agreements and commitments.

The terms of our engagement do not require us to identify such other transactions, if any, but to communicate to you, based on information provided to us, the principal terms and conditions and the reasons justifying their interest for the company of those agreements brought to our attention or discovered in the performance of our engagement, without expressing an opinion on their merits. It is your responsibility, pursuant to article R. 225-31 of the French commercial code to assess the interest involved in respect of the conclusion of these agreements with a view to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R.225-31 of the French commercial code ("*Code de commerce*") concerning the implementation, during the year ended, of the agreements already approved by the General Meeting of the Shareholders.

We performed procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*) relating to this engagement. These standards require that we ensure that the information provided to us is consistent with the relevant source documents.

Agreements submitted for approval to the general meeting

Agreements approved and entered into in the period ended

Pursuant to article L.225-40 of the French commercial code, we have been informed of the following agreements entered into in the period ended subject to prior authorisation by your Board of Directors.

1. Undertakings on behalf of the Deputy CEO

Related party
Mr. Yannick Morillon, Deputy CEO of CIS.

Description
On May 16, 2019, your Board of Directors appointed Mr. Yannick Morillon as the Deputy Chief Executive Officer of CIS and made on his behalf the following undertaking:

In the event of the removal of the Deputy Chief Executive Officer from his office without cause before a period of two years from the start of his term, Mr. Yannick Morillon will receive a gross fixed and definitive total compensation in the amount of €66,000 or one year of gross compensation.

In addition, this Board of Directors duly noted the conclusion with Mr. Yannick Morillon of an employment contract as Chief International Business Development Officer and on that basis undertook vis-à-vis the latter the following:

In the event of dismissal by terminating his employment contract before a period of two years from the start of his term, Mr. Yannick Morillon will receive a gross fixed and definitive total compensation (including the legal severance payment) in the amount of €154,000 or one year of gross compensation.

Reasons justifying interest for the company
In accordance with the law, we inform you that the prior authorisation given by the Board of Directors does not represent grounds justifying the interest of the undertaking by the company, as provided by article L.225-38 of the French commercial code.

Agreements already approved by the general meeting

Agreements approved in prior periods

A. AGREEMENTS THAT REMAINED IN FORCE DURING THE PERIOD ENDED

Pursuant to article R.225-30 of the French commercial code, we have been informed that the following agreements, previously approved by shareholders' meetings of prior years, remained in force during this year.

1. Lease agreement between CIS and SCI BORELY

Related party
Régis Arnoux, Chairman of the Board of Directors of CIS and Managing Partner of SCI BORELY.

Description
Pursuant to the authorisation of your Board of Directors of September 16, 2015, CIS concluded an office lease agreement with SCI Borely.

For fiscal 2019, under the terms of this agreement, expenses of €32,601 were recognised for rental payments excluding charges.

2. Service agreement between CIS and Frédérique SALAMON

Related party
Frédérique Salamon, member of the Board of Directors of CIS.

Description
Pursuant to the authorisation of the Board of Directors of March 28, 2013, your company concluded a service agreement with Frédérique Salamon. Under the terms of this agreement, Frédérique Salamon intervenes as a consultant to the Chairman, notably in the area of strategy for the Group development and the analysis of external growth opportunities.

For fiscal 2019, under the terms of this agreement, expenses of €23,400 excluding tax were recognised for fees.

This agreement expired on March 31, 2019.

3. Lease agreement between CIS and SAS FINRA

Related party
Régis Arnoux, Chairman of the Board of Directors of CIS and Chairman of SAS FINRA.

Description
Pursuant to the authorisation of the Board of Directors of April 10, 2018, your company concluded an office lease agreement with SAS FINRA, for premises located at 40 C avenue de Hambourg 13008 Marseille, in the "LES BUREAUX BORELY" property complex, building D/E on the ground floor, including parking spaces. This lease entered into effect on May 1, 2018 for annual rent of €45,360 excluding taxes.

For fiscal 2019, under the terms of this agreement, expenses of €46,021 were recognised for rental payments excluding charges.

4. Lease agreement between CIS and SAS FINRA

Related party
Régis Arnoux, Chairman of the Board of Directors of CIS and Chairman of SAS FINRA.

Description
Pursuant to the authorisation of the Board of Directors of April 10, 2018, your company concluded an office lease agreement with SAS FINRA, for premises located at 40 C avenue de Hambourg 13008 Marseille, in the "LES BUREAUX BORELY" property complex, building D/E on the first floor, including parking spaces. This lease entered into effect on May 1, 2018 for annual rent of €87,120 excluding taxes.

For fiscal 2019, under the terms of this agreement, expenses of €88,389 were recognised for rental payments excluding charges.

5. Lease agreement between CIS and SAS FINRA

Related party
Régis Arnoux, Chairman of the Board of Directors of CIS and Chairman of SAS FINRA.

Description
Pursuant to the authorisation of the Board of Directors of April 10, 2018, your company concluded an office lease agreement with SAS FINRA, for premises located at 40 C avenue de Hambourg 13008 Marseille, in the "LES BUREAUX BORELY" property complex, building C, including parking spaces. This lease entered into effect on May 1, 2018 for annual rent of €99,360 excluding taxes.

For fiscal 2019, under the terms of this agreement, expenses of €100,808 were recognised for rental payments excluding charges.

B. AGREEMENTS NOT PERFORMED IN THE PERIOD ENDED

1. Service agreement between the companies CIS and MARINE FIRMINY

Related party
The company MARINE FIRMINY, member of the Board of Directors of CIS.

Description
Pursuant to the authorisation of the Board of Directors of July 4, 2013, your company concluded a service agreement with the company MARINE FIRMINY. Under the terms of this agreement, the company MARINE FIRMINY

will provide your company with commercial and technical assistance for the development and diversification of your company's activities for services to the armed forces. For fiscal 2019, under the terms of this agreement, no expense was recorded.

Agreements approved in the period ended

We have already been informed of the performance in the period ended of the following agreements, already approved by the general meeting of June 14, 2019, in the Auditors' report of April 23, 2019.

1. Agreement for the purposes of coordination and assistance between CIS and FINRA.

Related party
Régis Arnoux, Chairman of the Board of Directors of CIS and Chairman of SAS FINRA.

Description
Pursuant to the authorisation of the Board of Directors of April 16, 2019, your company concluded an agreement for the purposes of coordination and assistance with SAS FINRA, which entered into effect on January 1, 2019. This agreement was concluded for a 12 month period running from January 1, to December 31, 2019, subject to tacit renewal for successive 12 months period. SAS FINRA will provide your company with assistance in the areas of administration, finance, operations/sales, strategy, organisation, payroll management and public communications. In exchange for the services rendered, your company will pay SAS FINRA compensation equal to the cost of services, excluding revenues and rental costs, increased by a margin of 10%.

For fiscal 2019, under the terms of this agreement, expenses of €141,548 excluding tax were recognised for fees.

Marseilles,
April 23, 2020

THE STATUTORY AUDITORS

French original signed by:

SYREC	**Audit Conseil Expertise, SAS** Member of PKF International
Luc-René CHAMOULEAU	Guy CASTINEL

INDEPENDENT THIRD-PARTY ASSURANCE STATEMENT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE MANAGEMENT REPORT

Financial year ended December 31, 2019

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

To the shareholders,

As independent third-party assurance service provider of Catering International & Services, certified by COFRAC, the French National Accreditation Body, under No. 3-1080[1], we hereby present our report on the consolidated statement of non-financial statement (hereafter the "Statement") presented in the management report prepared for the period ended December 31, 2019 in accordance with the provisions of article L.225 102-1, R.225-105 and R.225-105-1 of the French commercial code.

Responsibility of the company

The Board of Directors is responsible for issuing a Statement in accordance with the legal and regulatory provisions that includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the company's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the Code of Ethics (*Code de Déontologie*) of our profession. We have also implemented a quality control system comprising documented policies and procedures for ensuring compliance with the codes of ethics, professional doctrine and applicable legal and regulatory texts.

Statutory Auditors' responsibility

Based on our work, our role is to formulate a reasoned opinion expressing moderate assurance as to:
- the Statement's compliance with the provisions of Article R.225-105 of the French commercial code;
- the truthfulness and fairness of the information provided in application of paragraph 3 of section I and II of Article R.225-105 of the French commercial code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks (hereinafter the "Information").

However, it is not our responsibility to express an opinion on:
- the company's compliance with any other applicable legal and regulatory provisions, particularly those concerning the combating of corruption and tax evasion;
- the conformity of products and services with applicable regulations.

Nature and scope of work

Our work described above was performed in compliance with the provisions of articles A. 225-1 *et seq.* of the French commercial code determining the procedures according to which the independent third-party assurance service provider performs its engagement and according to the international standard ISAE 3000 - *Assurance engagements other than audits or reviews of historical financial information.*

[1] Information on the scope certification is available at www.cofrac.fr

We carried out checks allowing us to assess the Statement's compliance with the legal and regulatory provisions and the fair presentation of the Information:

- we duly noted the activity of all the businesses included in the consolidation scope, their exposure to the main social and environmental risks associated with this activity;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, impartiality and comprehensibility and taking into account best industry practices where appropriate;
- we verified that the Statement discloses the information provided for in II of Article R.225-105, where this information is relevant to the main risks and that it provides, where applicable, an explanation of the reasons for non-disclosure of the information required by the 2nd paragraph of III of Article L.225-102-1;
- we verified that the Statement presents the business model and the main risks related to the activity of all the entities included within the scope of consolidation, including, whenever relevant and proportionate, the risks engendered by business relations, products or services as well as the policies, reasonable diligence procedures and results, including key performance indicators;
- we consulted documentary sources and conducted interviews to:
  - assess the process for selecting and approving the main risks and the consistency of the results and key performance indicators selected for the main risks and policies presented, and
  - substantiate the qualitative information (actions and results) that we considered to be the most important[2]:
- we verified that the Statement covers the consolidated scope, i.e. all entities included in the scope of consolidation in compliance with article L.233-16 of the French commercial code;
- we have taken note of the internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure that the Information is both complete and accurate;
- regarding the key performance indicators and other quantitative results that we considered to be material we used[3]:
  - analytical procedures consisting in verifying the correct consolidation of collected data as well as the consistency of changes in them;
  - detailed tests based on sampling, consisting in verifying the proper application of definitions and procedures, and in reconciling data with supporting documents. This work was conducted with a selection of contributing entities[4];
- we assessed the overall consistency of the Statement in relation to our knowledge of the entities included in the scope of consolidation.

We consider that the work we carried out by exercising our professional judgement allows us formulate a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work made use of the expertise of 3 persons between January and April 2020. In the performance of this engagement, we were assisted by our sustainable development and social responsibility specialists. We conducted meetings with persons responsible for preparing the Statement.

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[2] Qualitative information relating to the following sections: "Nutrition and balanced diet", "Regional impact of CIS Group activities in operating countries".
[3] Quantitative employment information: average total headcount and breakdown by gender, age and continent; recruitments, departures (including dismissals); absenteeism rate; frequency and severity rate of occupational accidents; total number of training hours Quantitative environmental information: water consumption, total electricity consumption, CO_2 emissions (of which for transportation and energy).
[4] France.

Conclusion

Based on our work, and bearing in mind the scope of our responsibility, we did not observe any significant misstatement likely to call into question the consolidated non-financial statement's conformity with the applicable regulatory provisions or the fair presentation of the Information, taken as a whole, in accordance with the Guidelines.

Comments

Without qualifying the above conclusion and in accordance with the provisions of article A. 225-3 of the French commercial code, we nevertheless wish to point out that the environmental information presented covers a limited scope as mentioned in the methodology note of the management report.

Marseilles,
April 16, 2020

INDEPENDENT THIRD-PARTY

French original signed by:

Grant Thornton
French member firm of Grant Thornton International

Lionel HATET *Partner*	Tristan MOURRE *Manager*

RESPONSIBLE FOR FINANCIAL REPORT

I hereby certify, having taken all reasonable measures for such purpose, that the information contained in this report, to my knowledge, is true and that there are no omissions that would cause it to be misleading.

I also declare that, to the best of my knowledge, the financial statements have been prepared in accordance with the applicable financial reporting standards and give a true and fair view of the assets and liabilities, financial position and results of the operations of the Company and consolidated companies and that the management report included this report faithfully presents business trends, the results and financial position of the company and a description of the main risks and uncertainties.

Régis ARNOUX
Chairman of the Board of Directors

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CIS

Integrated Life Support Services

CIS in Russia (West Siberia)

WWW.CIS-INTEGRATEDSERVICES.COM