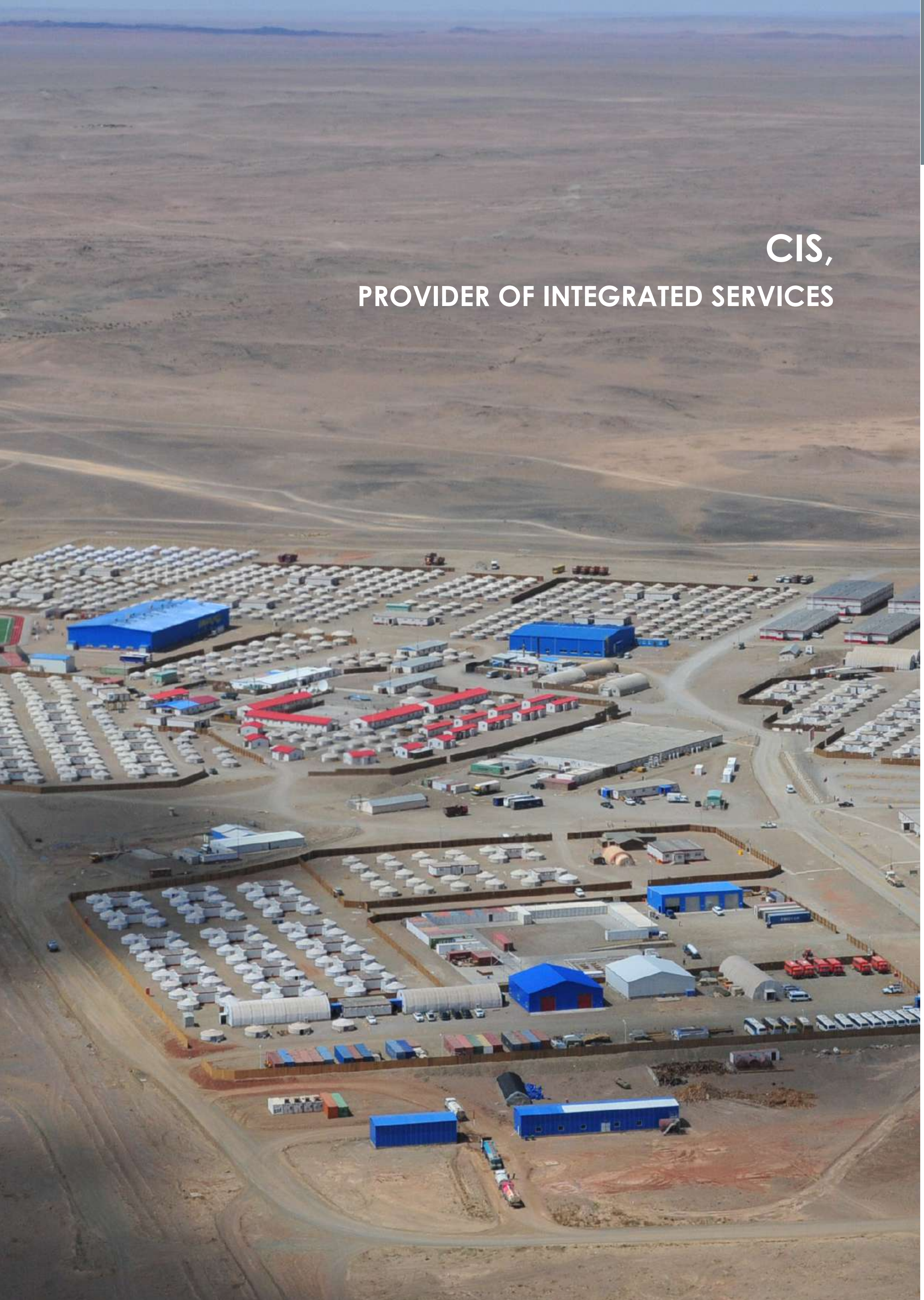
CIS

Integrated Life Support Services

ANNUAL REPORT

2018



CIS,
PROVIDER OF INTEGRATED SERVICES

SUMMARY

CIS in Kazakhstan

CIS

Integrated Life Support Services

INNOVATING AND CONQUER TOGETHER

INNOVATING AND CONQUER TOGETHER

CHAIRMAN'S STATEMENT

Régis Arnoux

> **"CIS has extended its geographical positions in 3 new countries: the Bahamas, Malawi and more recently Senegal"**

Business dynamics accelerated in the second half of 2018, with CIS winning numerous tenders against major international players.
This record sales performance, in all of the Group's geographic areas, combined with the expansion of the service offer on certain contracts, materialises the quality and competitiveness of CIS.

CIS has extended its geographical positions in 3 new countries: the Bahamas, Malawi and more recently Senegal.

*CIS has finalised **new alliances with key strategic partners** in our historic countries and in new countries with strong development potential.*

*These successes, as well as the numerous ongoing consultations, confirm the relevance of the **ARISE strategy**, which is being implemented on the Group's main subsidiaries.*

The global context is now much more favorable. Oil prices and many raw materials remain at much higher levels than those recorded in 2018, and significant new investments are being made in geographic areas where we are already operating in the oil and gas and mining sectors.

In addition, the new presence of Denis Gasquet by my side as a special advisor, the future recruitment of a Deputy Chief Executive Officer, the quality, commitment and dedication of our teams at the headquarters and on sites as well as the relevance of our business model, are all strong elements to ensure the development and sustainability of CIS.

Innovating in order to offer more and more efficient and competitive solutions; to continually increase our expertise by relying on our teams, our know-how and our common values.

> **"Innovating in order to offer more and more efficient and competitive solutions"**

Finally, I would like to thank all CIS employees around the world, our customers, our shareholders, our partners and all those who contribute to CIS success today and tomorrow.

I am very confident about the development outlook for 2019 and beyond: innovating and conquer together.

Régis Arnoux
Founder & Chief Executive Officer

CIS
Integrated Life Support Services

INNOVATING AND CONQUER TOGETHER

CIS AT A GLANCE

Since 1992, the 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 isolated urban, industrial, offshore and onshore environments, in almost 20 country.

As a provider of integrated services, CIS has developed a full range of services and turnkey solutions, to bring comfort and security to residents and contribute to the performance of our customers, in the daily management of their sites.

>48 millions meals served in 2018

200 sites of operation in **20 countries**

25 business skills at our customers' service

65 nationalities among our teams

>11,000 employees worldwide

224,2M€ 2018 FY revenue

Our values, our DNA

Passion

Integrity

Boldness

Respect

Excellence

Responsibility

Our vision

Become the international reference operator for integrated services for major projects in the hydrocarbon, mining, construction and armed forces sectors.

Our missions

> To improve the well-being of our residents
> To guarantee the safety of our teams on site
> To offer reliable, innovative and competitive solutions in compliance with international quality and safety standards
> To pursue a lasting relationship with our customers, shareholders, partners and employees, based on the quality of our services and trust
> To constantly increase our expertise
> To limit the impact of our activities on the environment
> To participate in the socio-economic development in our subsidiaries through local employment, the training of our teams, the use of local supplies and the creation of sustainable development projects

CIS
Integrated Life Support Services

INNOVATING AND CONQUER TOGETHER

GOVERNANCE

Denis GASQUET * [A]
Special advisor to
Régis Arnoux

Julien SALAS * [B]
Deputy Managing Director

Stéphane CAILLE * [D]
Human Resources VP

Franck BRIESACH * [C]
CFO

Natacha CARTAGENA * [E]
Communication VP

Régis ARNOUX * [1]**
Chairman and Founder of CIS Group (1992)
Chairman of the Board of Directors
Member of the CIS Foundation
Chairman of FINRA

Monique ARNOUX ** [2]
Vice-chairwoman of the CIS Foundation

Florence ARNOUX * [3]**
Key Accounts Manager at CIS
Member of the CIS Strategic Committee
Administrator of EVOLEN and MEDEFI
Foreign Trade Advisor, Paris Committee

Frédérique SALAMON * [4]**
Advisor to the Chairman of the CIS Group
Member of the CIS Internal Audit Committee
and CIS Strategic Committee

Sophie Le TANNEUR ** [5]
(Financière Lucinda)
Member of the CIS Internal Audit Committee
Chairman of the CIS Compensation Committee

Frédéric BEDIN ** [6]
Chairman of the Board of Hopscotch Group

Gonzague de BLIGNIERES ** [7]
Chairman of Raise Investissement and Raise Conseil
Member of the CIS Compensation Committe

Henri de BODINAT ** [8]
(Cantos Ltd)
Chairman of Time Equity Partners
Chairman of the CIS Strategic Committee

Yves-Louis DARRICARRERE ** [9]
(YLD Conseil)
Senior Advisor at Lazard Ltd
Chairman of the Franco-Kazakh Business Council
Member of the CIS Strategic Committee and CIS Compensation Committee

Amiral Pierre-François FORISSIER ** [10]
(Marine Firminy)
Chairman of the CIS Internal Audit Committee

**** Board of Directors, Managing Committee and CIS Executive Committee*
*** Board of Directors*
** Managing Committee and CIS Executive Committee*

CIS in Mongolia (SSM subsidiary)

CIS

Integrated Life Support Services

INTEGRATED SOLUTIONS, CUSTOMISED SERVICE

INTEGRATED SOLUTIONS, CUSTOMISED SERVICE

CATERING

>48 million
meals served
in 2018

>95%
local purchasing
in 2018

Health4you

Nutritional programme
developed by CIS

For more than 27 years, catering has been our main activity. CIS offers a complete range of menus combining conviviality and nutritional balance, respecting food habits and customs as well as international quality standards.

Whether on land or offshore, CIS creates **tailor-made solutions** to meet the specific constraints of these environments and the requirements of each customer. Our staff, working closely with our clients, is trained to develop appetising menus for residents. In terms of food safety, **we constantly monitor all processes, from manufacturing to service,** to ensure **the highest quality on each of our sites.**

Catering

Sourcing and logistics

Special events

INTEGRATED SOLUTIONS, CUSTOMISED SERVICE

ACCOMMODATION

Integrated RFID system
in order to facilitate the laundry management

Accommodation Management System
To provide the best management of « in&out » flows and optimise the camp occupancy rate

Reception service

Accommodation management

Laundry service

Cleaning and housekeeping

Concierge service

CIS also provides a range of accommodation services, from camp administration to e-concierge service, and guarantees the cleanliness of the linen, accommodation units as well as all the installations on site.

CIS offers its customers **integrated planning and traceability solutions** thus ensuring the optimisation of accommodation, the fluidity at reception as well as quality reporting.

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Integrated Life Support Services

INTEGRATED SOLUTIONS, CUSTOMISED SERVICE

FACILITY MANAGEMENT AND INTEGRATED SERVICES

More than
25 trades
at our customers' service

>100 000
multi-technical maintenance tasks per year

ONEPass
New badge access control system

- Cleaning operations
- Engineering, design and construction
- Access control
- Maintenance
- Water treatment
- Fire safety
- Shipchandling and procurement
- Fleet management
- Transport of personnel
- Availability of skilled staff
- Recreational activities and leisure
- Waste management
- Landscaping
- Pest control

Because the needs of our customers are specific and precise, the **CIS Group has developed a range of integrated services to support our clients throughout their projects.**

We master different types of services, from access control to multi-technical maintenance, sewage and waste treatment, construction of accommodation units as well as the complete management of on-site facilities.

We ensure the proper management of on-site facilities while respecting **health and safety standards,** so our customers can focus on their core business, with the guarantee of receiving **the most efficient and tailored services.**

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THE DIGITALISATION AT THE SERVICE OF OUR PERFORMANCE

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THE DIGITALISATION AT THE SERVICE OF OUR PERFORMANCE

ONEPass

The unique badge authorising access and payment on site

Supply Management System

Ingenious menu planning and real-time inventory management system

SystemONE is a combination of integrated digital solutions which aim to **improve the daily management of sites and enhance the well-being of residents.**

Integrated management systems

Digital services for residents

SystemONE: Integrated Digital Solutions

IMPROVEMENTS FOR CAMP RESIDENTS	BENEFITS TO OUR CLIENTS
Safer living conditions	Safety and security
Easier camp life	Improved monitoring and cost control
Healthier lifestyle	Motivated workforce and productivity
Improved access to digital entertainment and personal development	Efficiency and business continuity
	Employer image and attractiveness

CIS in Eritrea

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AN INTERNATIONAL GROUP, A LOCAL ANCHORAGE

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AN INTERNATIONAL GROUP, A LOCAL ANCHORAGE

IN AFRICA

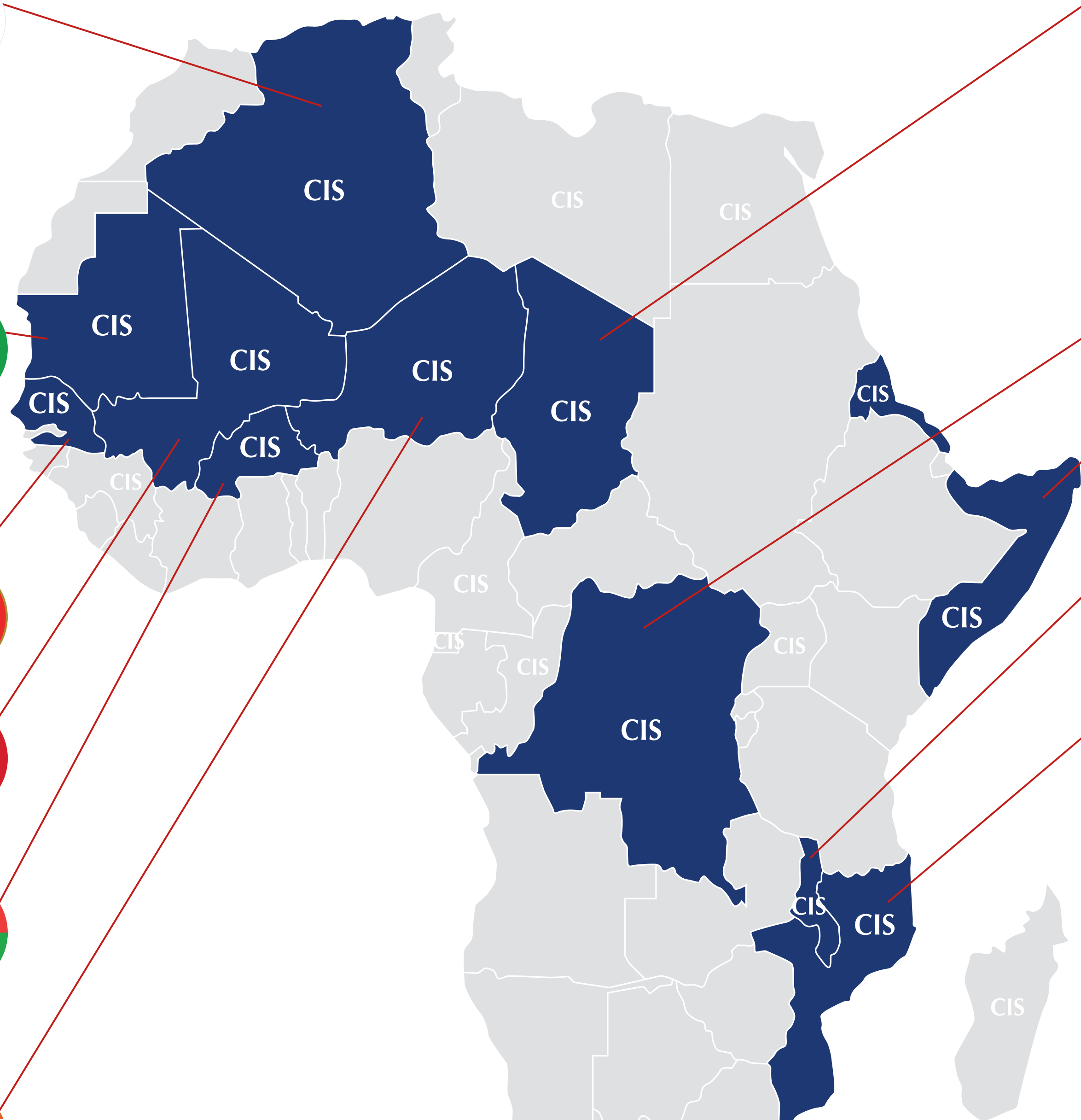
The African zone represents

51%

of CIS Group's revenue

Malawi and Senegal

2 new countries of operation
in 2018 and 2019



ALGERIA

> Our subsidiary CIEPTAL: 1st international catering group in Algeria
> Large logistics base of **17,000 m2** in Hassi Messaoud
> **4,500 employees**
> **90 sites** of operations
> **Triple certification:** ISO 9001 / ISO 14001 / OHSAS 18001
> Recent major success with **ENTP**: **Mobilisation of 30 sites**
> Diversification in the industrial sector with **TAYAL**
> Continuation of the performance plan "ARISE Algeria" launched in April 2017

MAURITANIA

> For 8 years, our subsidiary CNA Mauritania has been supporting **KINROSS** on the **TASIAST** project, the largest gold mine in Africa
> **2500 residents** on site
> QHSE Performance: CNA Mauritania celebrated **5 million hours without injury**
> CNA Mauritania recognised by Kinross Tasiast for the **excellent work of CNA Maintenance teams**
> Awareness campaigns on food waste

SENEGAL

> New country of operation in 2019 with a new customer **ERAMET**, a French leader in mining and metallurgy

MALI

> Recent development in the mining sector
> New development with the **largest solar farm in Africa**
> CSR: donation of school supplies to 10 villages near our operation area in Komana and donation of road signs to 4 schools in Bamako

BURKINA FASO

> Recent developments in the mining sector
> Celebrating **5 million hours without injury** on the site of Boungou **(SEMAFO)**
> CSR: **Creation of a butchery** in Boungou and participation in the **construction of an orphanage** in Ouagadougou

NIGER

> Supporting our client **ORANO** on the **COMINAK and SOMAIR mines** since 2016
> Continuation of our activities with the **military forces**
> CSR: for two years CIS Niger has been supporting a local organisation **helping widowed and single women through a market gardening project** in the region of Arlit where CIS operates

CHAD

> Presence in the oil sector with **EXXONMOBIL** for the past 18 years without interruption
> Excellent operational performance
> **Renewal of ISO 9001, ISO 14001, OHSAS 18001 certifications**
> CSR: Launch of **«A Brighter Future» programme**, a guideline for our sustainable development plan in Chad with an action per month

DEMOCRATIC REPUBLIC OF CONGO

> Continuation of our activities in the **offshore oil sector**
> Accompanying the customer **DATHCOM** (subsidiary of **AVZ Minerals**) on their mining exploration project
> CSR: Road Safety Campaign

SOMALIA

> Renewal of all our contracts
> Expansion of our storage capacity

MALAWI

> New country of operation in 2018
> Accompanying the mining Group **VALE** in Malawi where CIS provides **catering services to 300 employees** in the city of Blantyre

MOZAMBIQUE

> **CIS Moçambique** has been present for **6 years** in the mining and construction sector
> Renewal of our contract with our historical customer **VALE** on the railway line project that links the Moatize coal mine to Nacala
> **800 residents** on site - **350,000 meals served** per year
> Signature of the first contract in Palma, with **GABRIEL COUTO**, building the airport in support of the LNG megaproject
> QHSE performance: **1 million hours of work without injury**
> CSR: Provision of 400 meals to children at Nachiropa School in Nampula Province

Camp site in Senegal

CIS in Mauritania - 5M hours without LTI

CIS in Chad

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Integrated Life Support Services

AN INTERNATIONAL GROUP, A LOCAL ANCHORAGE

IN EURASIA

CIS team in Russia

Remote site in Russia

Eurasia represents
26%
of CIS Group's revenue

Diversification of our services

RUSSIA

> Our Russian subsidiary has signed **3 significant contracts** with major players in the oil, mining and engineering sectors

> Diversification of our services with fuel distribution, in particular

> QHSE performance: celebration of the **5 million hours worked without injury** on the **MAIRE TECNIMONT** site, for the whole subcontractors

MONGOLIA

> Our subsidiary in Mongolia, SSM, associated with the TAVAN BOGD Group (created by Baatarsaikhan Tsagaach) has renewed its major contract with the Australian group **RIO TINTO,** world leader in the mining sector, following a highly competitive international tender

> Opening of a new restaurant and a new central kitchen for **8,000 residents**

> **22,500 meals** served daily

> Opening of new accommodation blocks with more than **5,000 additional beds**

> SSM receives the **bi-annual security award** from its client

> CSR: Food donations, donations of school materials, support for schools in Khanbogd village close to our operation site, training of children on topics such as health, safety, environment and nutrition, purchase of food from local cooperatives

Remote site in Kazakhstan

KAZAKHSTAN

> In Kazakhstan, CIS was awarded two major contracts, one with **NCOC** (North Caspian Project - major oil company) and another one with **KAZMinerals** (major mining company) for the **AKTOGAÏ** copper mine in Eastern Kazakhstan, in the border of China

> CIS in Kazakhstan celebrated 20 years of collaboration with the **PKKR** Petroleum Group

> CSR: Sponsorship of various socio-cultural associations and financial support to orphanages

CIS team in Mongolia (SSM)

Remote site in Mongolia

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AN INTERNATIONAL GROUP, A LOCAL ANCHORAGE

IN LATIN AMERICA AND THE BAHAMAS

The Bahamas

new country of operation

THE BAHAMAS

> Intervention on an island off the Bahamas for the **BOUYGUES GROUP.**
>**Food and accommodation services for 300 residents** on a construction site.
> **Extreme** climate and isolation conditions

CIS in the Bahamas

BRAZIL

> CIS Brasil was renewed by **CHEVRON** for another 4 years, to operate onboard the FPSO FRADE
> Diversification on **private offshore**
> CSR: **monthly food donations** to the social centre *Casa do Abraço*, and to the Brazilian Red Cross for families affected by heavy rains in Macaé

BOLIVIA

> CIS has been present in Bolivia since 1998
> Diversification of our activities to **corporate catering**
> **Renewal of ISO 9001, ISO 14001, OHSAS 18001 certifications**
> CSR: reduction of electricity, water consumption and organic waste

CIS in Saudi Arabia

AN INTERNATIONAL GROUP, A LOCAL ANCHORAGE

IN THE MIDDLE-EAST

SAUDI ARABIA

> Presence of CIS since 2015
> Countries with **strong development potential** in the oil and gas sector

CIS in Brazil

CIS in Bolivia

ERITREA

> CIS continues to operate facility management activities for the **VINCI Group** on the Dahlak island, in the Red Sea off Eritrea, in association with Qatari investors

CIS in Eritrea

Agricultural cooperative
in Mozambique

CIS

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COMMITTED TO A SUSTAINABLE AND RESPONSIBLE GROWTH

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COMMITTED TO A SUSTAINABLE AND RESPONSIBLE GROWTH

ENSURING QUALITY AND SAFETY IN OUR BUSINESS

Quality control programme

To ensure the highest level of service quality on each of its operational sites, **CIS implements a quality control programme and a QHSE monitoring system that meets international health and food safety standards.**
CIS applies the quality standards imposed by the catering sector. Our quality management system provides for a very strict process at every stage, from food preparation to serving meals. The QHSE teams on site carry out controls at each of these stages (quality control of foodstuffs, hot and cold temperature etc.). Finally, before each sitting, samples of each dish are taken and stored.
CIS head office as well as some of its subsidiaries are certified **ISO 9001**. This standard defines the criteria for a quality management system, which include a strong client focus, the motivation and implication of management, and the continual improvement of the services we offered.

Customer Satisfaction Survey Program

CIS has installed **satisfaction terminals** at the exit of the dining rooms. Thus we can gauge our operational performance and above all identify areas for improvement.

Enjoyment, well-being and nutrition

Nutritional programme developed by CIS

Meals are a time for sharing, relaxing and enjoying each other's company. To ensure the well-being of our clients, CIS has launched an awarenessraising campaign: we train and inform our clients of the risks associated with the over-consumption of certain foods and the importance of good nutrition and regular physical activity.

The Group has also developed and implemented an innovative nutritional programme:
> The **Health4you** programme focuses on providing residents with a balanced diet: on certain operational sites, residents receive personal guidance from a Group nutritionist and a sports coach. On the Oyu Tolgoi site in Mongolia, for example, more than 1,000 residents are involved in the H4U programme.

Health4you by CIS

Integrated Menu Engineering

CIS has developed a Menu Engineering tool, making it possible to generate standard recipes and technical sheets that can be used to develop menu cycles adapted to the energy needs of our residents, and to manage stock levels.

Food safety

More than 48 million meals are served each year on all of our sites in strict compliance with international food safety standards.

Several CIS subsidiaries are certified **ISO 22000** for food safety management and OHSAS 18001 certified for occupational health and safety management systems.

To help its teams comply with the Group's QHSE commitments, CIS has implemented several tools, such as the Best Food Safety Practices Guide, which aims to ensure compliance with international health and food safety standards (HACCP). Checks are also organised on a regular basis across all of our sites.

CIS is implementing the digitisation of QHSE controls through tablets, allowing better data traceability and reporting.

Occupational safety

Each new employee at CIS receives occupational safety training and is made aware of the risks associated with their functions. In addition, weekly **"Safety Meetings"** and daily **"Toolbox Talk"** are held on our operational sites.

On each operational site, QHSE teams record and analyse LTIs (lost time injuries). **On our operations in Chad, we have not recorded any LTIs in the past 13 years.**

The Group's sites in Mauritania and Mongolia have created their own **training centres** to develop team awareness of the need for compliance with QHSE standards.

CIS
Integrated Life Support Services

COMMITTED TO A SUSTAINABLE AND RESPONSIBLE GROWTH

BEING A PLAYER IN THE SOCIO-ECONOMIC DEVELOPMENT

>98%
local employment

>22
local agricultural initiatives
created and developed by CIS

A Brighter Future
Sustainable development programme launched in Chad

CIS implements a number of sustainable development policies in favour of the communities living close to our operational sites.

Local procurement and creation of cooperatives

CIS supports local agricultural production by developing partnerships with local suppliers and by creating cooperatives with local farmers.
Several hundred local agricultural cooperatives are included in the CIS value chain: more than 95% of purchases are made locally for all available products.

*In **Mozambique,** CIS has implemented a sustainable development programme called "Seeds for Development." This initiative supports 250 local farmers, by helping them learn sustainable farming techniques that they can then use to diversify their production and increase their crop yield.*
*In **Kazakhstan**, we buy all available products from local producers.*
*In **Chad**, CIS has created farming businesses that are now managed by the local community.*

Supporting local employment

We promote recruitment from the communities living close to our operational sites in order to improve their daily lives, provide training and offering them a lucrative and stable job.

*In **Chad**, for example, all the operational management positions are held by local people and all of the staff hired to provide services to our client EEPCI (ExxonMobil) are Chadian nationals.*


CIS in Burkina Faso

Education & well-being of children

A BRIGHTER FUTURE

In all of its subsidiaries, CIS is involved in initiatives to improve the daily lives of children and families belonging to the local community.

*In **Burkina Faso**, CIS supports the non-profit organisation ASEFV (Association Soutien aux enfants et femmes vulnérables), which assists vulnerable women and children. Through this non-profit, CIS has already partnered the creation of an orphanage, which is home to fifteen children since 2017, and has financed the purchase of a cereal mill that will eventually be managed by ASEFV directly.*


CIS in the presence of the First Lady of Chad

This year, in **Chad,** CIS has created a sustainable development programme called **«A Brighter Future»** to guide its actions. CIS Chad is a partner of the *Grand Coeur* Foundation, whose First Lady of Chad, Mrs. HINDA DEBY ITNO is the President. This foundation aims to fight against social inequalities, to improve the well-being and the development of populations and to promote merit and excellence.

CIS Chad also supports the orphanage of the «God Bless» Foundation, helping a hundred children in N'Djamena.

Food waste sorting and recycling

CIS has introduced composting on many of its operational sites. Waste is destroyed and reused to fertilise the soil for new crops (cabbage, peppers, etc.), thus providing a substitute for chemical fertilisers.

Environment

Our management methods are designed to acknowledge the environmental impact of our activities, to assess this impact and to reduce it. Environmental management is part of our sustainable development approach.

Paperless procedures

Our teams are in the process of rendering on-site QHSE inspections paperless by introducing electronic archiving solutions for QHSE data, temperature, health and other controls. This will ensure high-quality monitoring and facilitate reporting.

Our Chadian subsidiary has achieved its goal of reducing its impressions by 30% in 2018.

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COMMITTED TO A SUSTAINABLE AND RESPONSIBLE GROWTH

VALUING OUR STAFF AND TALENTS

25 000
training hours financed in 2018

67%
of strategic positions have been filled internally in 2018

CIS Team in Mongolia (SSM subsidiary)

**The CIS Group is based on strong values: passion for an atypical profession, remote site management in extreme environments, and daringness. This combination gives each employee a taste for adventure and the necessary curiosity to conquer new territories and new markets.
Without passion or daringness, the CIS adventure would be impossible!**

The professionalism and expertise of our teams have allowed us to establish ourselves as one of the world leaders in the field of remote site management in extreme environments. The complementarity of people and skills, as well as the diversity of our 11,000 employees is our greatest asset.

Equality Men / Women

The CIS Group strives to encourage and promote gender equality in all its sites and countries of operation.
At the end of 2018, the proportion of women in the Group's average workforce was **39%**, which is steadily increasing.

*In Asia, **77%** of our staff are women. More precisely, **70%** of our staff in Mongolia are female and this rate achieves **80%** in Russia and Kazakhstan.*

*In Burkina Faso, women represent **42%** of the workforce and **two key positions** in the finance and human resources departments are held by women.*

*At CIS Group's headquarters in Marseille, the female employees account for **68%** of the staff.*

A five-step process

In order to contribute to the performance of our customers while promoting the development, commitment and evolution of our teams, the CIS Group has implemented a global HR policy allowing personalised support for each of its employees as soon as they enter the company.

> *Recruitment*

The CIS Group implemented a **unified recruitment process,** backed by powerful and increasingly dematerialised tools combining **local recruitment and international recruitment** in order to attract the best skills.
In 2018, the Group's recruitment needs in **key positions** remained stable with **a slight increase of 1%.**

More than 1500 new applications were recorded by the Group in 2018.

In addition, the Group's developments are generating ever more opportunities for internal mobility for our employees.

In 2018, 67% of Open Strategic Positions by the Group have been filled internally.

> *Induction*

Integration remains one of the key success factors when hiring. CIS offers a **global induction programme** (information meetings, welcome booklet), completed with **personalised courses**, allowing employees to quickly understand their local work environment and fit with the Group's values.

> *Assessment*

The CIS Group has rolled out a global evaluation program to highlight the needs in terms of training and identify local and international talents through performance or the collection of knowledge, and mobility and evolution wishes.

In 2018, more than 60% of the Group's key employees benefited from an annual evaluation.

> *Training*

At the headquarters and in each of its operating sites, CIS organises t**ailored training programs to each employee, regardless of their position**. Our goal is to strengthen the professionalism of our teams for more quality in the services offered to our customers. Our QHSE managers provide specific training, particularly in the sensitive areas of hygiene and food safety.

In addition, through assessments, the Group has set up a system to identify the training needs for global actions in order to increase the skills of the Group's key employees.

In 2018, the CIS group financed more than 25,000 hours of training for all its employees.

> *Career management*

The human factor remains CIS 'main asset, and it is by developing its employees that the Group continues to **build loyalty and meet the requirements of its customers in terms of skills and quality of service.**

Recruiting, integrating, evaluating, training with one main purpose: to develop and retain our employees and offer real career development within an international group.

CIS
Integrated Life Support Services

COMMITTED TO A SUSTAINABLE AND RESPONSIBLE GROWTH

RESPECTING OUR ETHICAL POLICY

Given the activities of the CIS Group, its international dimension and the cultural diversities that compose it, we are eager to share with all our employees throughout the world, whatever their functions and their origins, a common definition of our values, ambitions and ethics.

It is essential that, individually and collectively, everyone acts and shares the same values of transparency, integrity and honesty within the Group. Respect for moral, deontological and ethical rules is necessary to ensure a climate of cohesion and mutual respect for all employees and must reinforce the trust of third parties, and in particular our customers, our suppliers, our partners, our shareholders, and all the people who participate to our activities and our development.

The Group has therefore deployed an **anti-corruption programme** by issuing an **Ethics Charter** as early as 2004, defining the common core of rules to be respected by each. Going further in the process, and in accordance with the law n ° 2016-1691 of December 9, 2016 relating to the transparency, the fight against corruption and the modernisation of the economic life, known as «Loi Sapin 2», the Group adhered in 2017 to the «**Middlenext Anti-Corruption Code of Conduct**», a product of the joint thinking of a group of companies - including CIS - committed to promoting business ethics.

It is therefore essential that everyone familiarise themselves with this Middlenext Anti-Corruption Code of Conduct and the Ethics Charter and comply with it in all circumstances. It is obviously not possible to deal comprehensively with all the situations that might arise. However, the principles set out in the Middlenext Anti-Corruption Code of Conduct and the Ethics Charter provide a baseline and give the spirit in which the situation must be addressed.

In addition, the CIS Group respects and adheres to:
> The principles of the UN Global Compact,
> The principles of the Universal Declaration of Human Rights of 1948,
> The principles of the International Labor Organization,
> The guiding principles of the OECD.

« I thank each and every one of you for your constant ethical commitment and your compliance with the core values of the CIS Group. » - Régis Arnoux, CEO

S'ENGAGER VERS UNE CROISSANCE DURABLE ET RESPONSABLE

THE CIS CORPORATE FOUNDATION

FOUNDATION
CIS

Created in 2008 at the initiative of the Chairman-CEO of CIS Group, Régis Arnoux, the CIS Corporate Foundation is currently chaired by Loïc Souron and Monique Arnoux (Vice Chairwoman).

The foundation aims to provide financial and personal support to young adults (aged from 18 to 25 years old) who wish to start or continue their studies; they are accompanied until they enter the corporate world or achieve their professional goals.

Chad

CIS
Integrated Life Support Services

FINANCIAL INFORMATION

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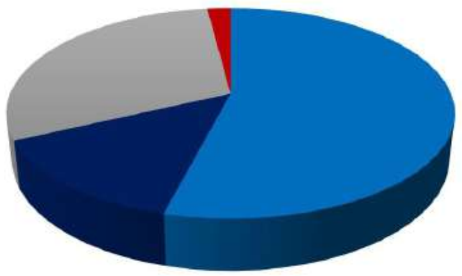
FINANCIAL INFORMATION

Shareholding structure

as of 31 december 2018



Arnoux Family	54%
Aloyan Family	14%
Public	30%
Autocontrol	2%

Stock exchange	*Euronext Paris*
Market	*Compartment C*
ISIN	*FR0000064446*
Main Index Tradable	*CAC All-Tradable*

Changes in the share price

Share data

	2016	2017	2018
Number of shares at 31 december	8,041,040	8,041,040	8,041,040
Market capitalisation at 31 décembre (M€)	135.9	136.6	73.7
High	€ 16.94	€ 21.3	€ 19.75
Low	€ 11.46	€ 14.84	€ 9.00
Average trading volume	3,740	5,108	2,510
Earnings per share	€ 0.28	€ 0.54	€ 0.61
Net dividend	€ 0.06	€ 0.11	€ 0.12

2019 Financial calendar

> 14 June 2019
AGM 2018
annual accounts

> 7 August 2019
Publication of
2019 Q2 revenue

> 20 September 2019
Publication of
2019 H1 results

> 23 octobre 2019
Publication of
2019 Q3 revenue

CIS
Integrated Life Support Services

2018 FINANCIAL REPORT

CONTENTS

Translation disclaimer: This document is a free translation of the French language version of the financial report for the twelve-month period ended 31 December 2018 produced for the convenience of English speaking readers. In the event of any ambiguity or conflict between statements or other items contained herein and the original French version, the relevant statement or item of the French version shall prevail. While all possible care has been taken to ensure that this translation is an accurate representation of the original French document, in all matters of information, views or opinions expressed therein, only the original language 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 expressly disclaims all liability for any inaccuracy herein.

2018 Financial Report
CIS
Integrated Life Support Services

MANAGEMENT REPORT OF THE BOARD OF DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2018

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 1 January to 31 December 2018, 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 2018

1. GROUP PROFILE

CIS, a global player

CIS, Catering International & Services, a Group with 27 years of experience as an integrated provider of catering, accommodations and facilities management services for companies operating in difficult environments. Present in nearly 20 countries with 170 operating sites, CIS is today a major global provider of onshore and offshore remote site management services, with a worldwide staff of more than 10,000.

With its integrated range of services, CIS assists companies operating in the oil and gas, mining, engineering, construction sectors, armed forces and international organisations.

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

2. BUSINESS OVERVIEW

2018 revenue amounted to €224.2 million, down 3.0% at constant exchange rates (-10.8% on a reported basis).

Growing contributions from Eurasia (Kazakhstan, Mongolia, Russia) and other African countries (DR of Congo, Mauritania, Niger, Chad) and expansion into two new countries (Bahamas, Malawi) did not fully offset the non-renewal in the beginning of the second half of a significant contract North Africa.

The impact of exchange rate depreciation, mainly by the Dinar (Algeria), the Real (Brazil), le Rouble (Russia), the Tenge (Kazakhstan) and the Togrog (Mongolia), amounted to €19.6 million for revenue and more than €1.7 million for operating profit. It should be noted that these foreign exchange effects gradually decreased in the second half of 2018.

Business developments and operating highlights

Business momentum accelerated in the 2018 second half, as CIS was successful in winning a number of calls for tender, some in competition with large international players. These record commercial performances in all the Group's geographical regions combined with an expanded offering of services for certain contracts are a testimony to CIS' quality and competitive strengths.

CIS expanded its international reach by entering two new countries: the Bahamas and Malawi. In the Bahamas, CIS is supporting Bouygues Group, a global leader in construction by managing all catering, accommodations and facilities management services and in Malawi, Vale, the Brazilian mining company, by providing catering services in connection with a project for the transport of coal.

CIS also finalised new alliances with top-tier strategic partners in our historic markets as well as in new countries offering significant development potential.

These successes as well as the many consultations in progress highlight the relevance of the ARISE strategic plan which continues to be deployed at the Group's main subsidiaries.

3. CIS SHARE PRICE PERFORMANCE

The CIS share ended the year at €9.16 compared to €16.99 at the end of 2017.

2018 Financial Report CIS Integrated Life Support Services

4. OPERATING HIGHLIGHTS

CIS remained resilient despite continuing turbulence in foreign exchange markets during the year.

Current operating income amounted to €10.0 million, up 4.5%.

Operating profit amounted to €9.6 million representing an operating margin of 4.3%, down 0.3 points at constant exchange rates from 2017.

For the full year, net profit attributable to shareholders rose 13.3%. to €4.9 million or 2.2 % of sales.

The Group's shareholders equity stood at €59.4 million and was impacted by negative translation adjustments of €1.2 million.

Bank borrowings remained stable at €16.4 million.

II. PRESENTATIONS OF ACCOUNTS

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

Revenue in 2018 rose 2% or €513,731 from €23,330,318 in 2018 to €23,844,049.

After reversals of provisions and expense reclassifications amounted to €699,900, total operating income came to €24,543,949, up from €23,821,178 in the prior year.

Total operating expenses declined by €416,998 or 1% to €32,002,668 from 32,419,666 in 2017.

Operating expenses included €323,515 for allowances for amortisation and depreciation and €745,100 for contingency provisions compared with €456,615 and €273,900 respectively in 2017.

These expenses also included allowances for the depreciation of current assets of €936,000, up from €2,093,000 in 2017.

On that basis, the operating loss amounted to €7,458,719 compared to a loss of 8,598,488 in 2017. After adjusting for financial income of €10,110,698 and financial expenses of € 2,933,639, current operating income before tax represented a loss of €281,660.

After exceptional income of €120,616, exceptional expenses of €389,655 and income tax for the period of €109,209, the net loss for the period amounted to €659,908, compared to a net profit of €22,938,881 in 2017.

Balance sheet highlights

Non-current assets totalled €11,104,156 including financial assets of €10,391,954.

Current assets amounted to €44 358 080 including cash and cash equivalents of €2,648,433 compared with respectively €42,439,069 and €2,486,681 in 2017. Provisions for contingencies and expenses amounted to €2,326,066, compared with €2,084,222 for the prior year.

Current liabilities amounted to €28,005,673, down from €24,985,259 in 2017.

At 31 December 2018, shareholders' equity before the distribution of dividends amounted to €25,808,801 compared with €27,353,223 at the end of 2017.

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.

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 2018 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 €224,162,000, down from € 251,355,000 in 2017 or a decline of €27,193,000. The net amount for allowances and reversals of provisions amounted to €2,013,000.

Operating profit amounted to €9,633,000, up from €12,330,000 in 2017.

Net financial income amounted to €410,000 compared to an expense of €1,075,000 in 2017.

Profit before tax came to €10,043,000, down from €11,255,000 last year.

Net consolidated profit amounted to €5,525,000 compared with €5,347,000 in 2017.

On that basis, net profit attributable to CIS as the consolidating company amounted to €4,887,000, compared with €4,315,000 in 2017.

Balance sheet highlights

Non-current assets amounted to €15,397,000 compared with €15,600,000 in 2017.

Current assets amounted to €113,518,000 compared with €111,389,000 in 2017.

Non-current liabilities came to €12,746,000 (including long-term provisions of €1,441,000) compared with €8,734,000 in 2017.

Current liabilities amounted to €56,789,000 compared with €61,437,000 in 2017.

At 31 December 2018, shareholders' equity before the distribution of dividends amounted to €59,380,000 compared with €56,818,000 at the end of 2017.

Equity attributable to non-controlling interests amounted to €3,002,000 compared with €2,399,000 in 2017.

Headcount data

The average number of employees was 10,486 in 2018 compared with 10,702 in 2017.

III. MATERIAL POST-CLOSING EVENTS

Following Mr. Jeremy de Brabant's departure at the end of 2018, CIS has been searching for a replacement of Deputy Chief Executive Officer.

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

Denis Gasquet is a graduate of the French engineering school, Ecole Polytechnique, and ENGREF (the French Institute of Forestry, Agricultural and Environmental Engineering). After spending the larger part of his career with Veolia Environnement he became Executive Vice President before joining ONET Group as Chairman of the Board from 2012 to 2018.

IV. BUSINESS TRENDS AND OUTLOOK

1. THE GLOBAL ECONOMIC SITUATION

Underlying trends of geopolitical instability and trade tensions have significantly impacted commodity and energy prices. Renewed investments in oil and gas and mining sectors have been delayed though the Group is responding to major consultations expected to contribute to a rebound in activity starting in 2019.

2. STRATEGY AND OUTLOOK

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

2018 Financial Report CIS Integrated Life Support Services

Organic growth through:

- Strengthening our business development teams,
- Focusing on large projects,,
- Developing positions in markets with strong growth potential,
- Expanding into new countries,
- Diversifying 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 of ourselves and our customers.

The Group is for that reason confident in its outlook for development in 2019.

V. SUBSIDIARIES AND ASSOCIATES

A. CIS (COMMONWEALTH OF INDEPENDENT STATES)

ARCTIC CATERING SERVICES (ACS)

Created in 1997 (capital: RUB 111,978) with its registered office in Moscow (Russia), this company is a wholly-owned subsidiary of our Group.
Our operations improved significantly in 2018 as the opening of new sites positively impacted the subsidiary's profitability.

CAC KAZAKHSTAN

The company was acquired in 2010 to better meet the national «local content» requirements for companies operating in Kazakhstan.
With a capital of KZT 72,500 and a registered office in Almaty (Kazakhstan) it is a wholly owned subsidiary of the Group.
CAC's business registered significant gains in 2018 while maintaining the level of our net margin.

B. ASIA - OCEANIA - MIDDLE-EAST

CIS NEW CALEDONIA

Created in 2005 (capital: XPF 5 million) with its registered office in Koné, this subsidiary is 60%-owned by our Group, with 20% held by a local French partner and 20% by the Northern Province.
With the contract for KNS expiring in December 2016, no sales were registered by this subsidiary in 2018.

CIS YEMEN

Created in 2009 (capital: YER 8 million) with its registered office in Sanaa (Yemen), this company is a 50% held subsidiary of our Group with the balance of shares held by a local partner.
This subsidiary has been placed into dormancy in light of the country's climate of insecurity and the very fragile political situation.

MOHJAT AL-IRAQ GENERAL TRADE

This wholly-owned subsidiary created in 2012 by CIS, has share capital of IQD 5 million with its registered office in Baghdad (Iraq).
This subsidiary has been dormant since operations were discontinued in 2013.

CIS MIDDLE-EAST

This wholly-owned subsidiary of our Group (capital: AED 100,000) was created in Dubai (United Arab Emirates) in 2013.
This subsidiary had no operating activity in the period.

SUPPORT SERVICES MONGOLIA

This company with a capital of MNT 425 million and its registered office in Oulan-Bator (Mongolia) was created in 2014. This 49%-held subsidiary of our Group is fully consolidated with control exercised by CIS SA.

Continuing investments by our customer Rio Tinto in the Oyu Tolgoï copper and gold mine was accompanied by significant deployment in the number of persons to be serviced.
Our business thus registered gains in 2018 within an environment of increased pressure on margins in light of the period of tendering inevitably accompanying the renewal of a major contract.

CIS ARABIA

This company with a capital of SAR 500 million and its registered office in Al Khobar (Saudi Arabia) was created in 2015. This subsidiary is 55%-held by our Group, with the balance held by Zomco, a subsidiary of the Saudi Arabian group, Al Zamil.
While the business of the subsidiary declined in the period, measures implemented contributed to a return to profitability in 2018.
Despite the challenging operating conditions of the Saudi market, its magnitude offers considerable potential.*

CIS TURKEY

This 55%-held subsidiary of our Group (capital: TRY 10,000) was incorporated in 2015 in Diyarbakir, Turkey.
This subsidiary is in the process of being wound up, after its operations were discontinued and refocused in 2016.

CIS MEA

Our first subsidiary in the United Arab Emirates, unable to operate on a direct basis except for consulting activities, a new wholly-owned subsidiary of the Group (capital: AED 50,000) was created in Dubai in 2015 in order to participate in the developments that are expected in the Gulf region.
No activity was recorded yet in this period.

CIS KUWAIT

This company with its registered office in Kuwait City, 94%-owned by our Group (capital: KWD 10,000) was created in 2016 to participate in major developments expected in this region of the Middle East.
This subsidiary was placed into dormancy following the discontinuation of our commissary kitchen facilities operations at the end of 2016.

C. AFRICA

CATERING NORTH AFRICA SERVICES

Created in 2001 (capital: DZD 1 million) with its registered office in Algiers (Algeria), this company is a wholly-owned Group subsidiary.
Our stake in Cieptal was acquired in 2006 through CNAS which as a result has suspended its operating activity.
A dispute exists between CNAS and the Bank of Algeria, regarding the transfer of dividends.
The Algerian Supreme Court rendered two rulings in favour of CNAS which were definitively confirmed by the decision by the Court of Appeals of 09/11/2016.
A decision for the distribution of dividends for the benefit of CIS SA was in consequence voted on 01/02/2017 and the corresponding withholding tax on this distribution was paid to the Algerian tax authorities.
In this context, the Bank of Algeria issued instructions on 15/02/2017 to all banks to lift the restriction on executing bank debit payments and to proceed with the international transfer of the funds, and in consequence distribute the dividends.
Contrary to all expectations, on 07/05/2017 the Bank of Algeria opposed the request for transfer, without however providing any justifications.
In consequence, after unsuccessful attempts to contact the Bank of Algeria, CNAS initiated an action in February 2018 to obtain the annulment of this decision before the Council of State which is still pending.
The company's legal advisers have confirmed that there are no circumstances which could call into question the collection of the dividends, but that the process remains long.

CIEPTAL

Created in 2006 (capital: DZD 100 million) with its registered office in Hassi-Messaoud (Algeria), this company has been wholly-owned by the Group since 2008.
The business and the profitability of this subsidiary were impacted by the non-renewal of an important contract in the beginning of the second half of 2018.

CIS CHAD

Created in 1998 (capital: XAF 5 million) with its registered office in N'Djamena (Chad), this company is a wholly-owned Group subsidiary.
Rising oil prices allowed our customers in this country to redeploy their activities in this country

2018 Financial Report CIS Integrated Life Support Services

Our revenues and earnings rose significantly in consequence in 2018.

CIS CAMEROON

Created in 1998 (capital: XAF 5 million) with its registered office in Douala (Cameroon), this company is a wholly-owned Group subsidiary. It continues provide support to Group activities in Chad in terms of logistics and sourcing.

ICS GUINEA CONAKRY

Created in 2008 (capital: GNF 10 million) with its registered office in Conakry (Republic of Guinea), this company is a wholly-owned Group subsidiary.
This subsidiary has been dormant since operations were discontinued in 2016.
We remain however attentive to possibilities for resuming investments in this country.

GCS GUINEA CONAKRY

This wholly-owned Group subsidiary (capital: GNF 10 million) with its registered office in Conakry (Republic of Guinea) was created in 2011 to support the strong development of the mining sector expected in this country.
This subsidiary has been dormant since operations were discontinued in 2016.

CNA MAURITANIA

This wholly-owned subsidiary of our Group (capital: MRO 2 million) with its registered office in Nouakchott (Mauritania) was created in 2011.
Revenue remained stable in 2018 with margins in line with expectations.

CIS NIGER

This wholly-owned subsidiary of CIS (capital: XAF 1,000,000) was created in 2010, with its headquarters in Niamey (Niger).
Results remained satisfactory in 2018 despite the marginal decline in revenue.

CIS BURKINA FASO

This wholly-owned subsidiary of our Group (capital: XAF 1 million) with its registered office in Ouagadougou (Burkina Faso) was created in 2014.
In a country where safety conditions remain sensitive, our revenue declined in 2018 while earnings remain at breakeven.

CIS MALI

This wholly-owned subsidiary of our Group (capital: XAF 10 million), headquartered in Bamako (Mali) was created in 2013 to support the development of mining operations in this country.
Reflecting the loss of one of our contracts at the end of 2017, revenue decline in the period. In contrast, adopting drastic management measures has paid off by producing a significant improvement in earnings in 2018.

CIS NACALA

This company (capital: MZN 20,000) created in 2013 with its registered office in Nacala (Mozambique) is an 80%-owned subsidiary of our Group with the balance of shares held by a local partner.
We registered lower sales and earnings after our main customer, the Brazilian mining company, Vale, significantly reduced its workforce.

CIS MOÇAMBIQUE

This company (capital: MZN 20,000) was created to develop our activity in the region where CIS Nacala is not able to operate due to regulatory restrictions.
With its registered office in Nacala (Mozambique), it is an 80%-owned subsidiary of our Group with the balance of shares held by a local partner.
This company is being wound up following the discontinuation of our activities with Portuguese construction and civil engineering companies in 2018.

CATER CONGO

This wholly-owned subsidiary of our Group (capital: XAF 10 million) was incorporated in Brazzaville to provide the Group a base in the Republic of Congo.
This subsidiary has remained dormant since operations were discontinued in 2015.

TSC

This company, henceforth wholly-owned by our Group, (capital: CDF 1,961,012) was incorporated in 2016 in Lubumbashi (Democratic Republic of the Congo) in order to support our development in the Katanga region, one of the mining regions with the richest deposits in Africa.
Our business with mining companies has continued to grow accompanied by an improvement in margins in 2018.

D. SOUTH AMERICA

CIS BRAZIL

Created in 1999 (capital: BRL 20,540,200) with its registered office in Macaé (Brazil), this company is a wholly-owned Group subsidiary.
Reflecting the planned discontinuation of some of our offshore contracts, the subsidiary recorded a decline in revenue in the period. Despite this, the drastic measures of the country specific «Arise Brazil» plan continued to produced positive results, leading to further improvements in profitability in 2018

CIS BOLIVIA

Created in 1998 (capital: BOB 36,900) with its registered office in Santa Cruz (Bolivia), this company is a 99%-held Group subsidiary.
This subsidiary registered a decline in activity in response to the expiration of our main contract as planned. For that reason, the subsidiary's earnings were disappointing.

CIS PERU

Created in 2006 (capital: PEN 3,306,956) with its registered office in Lima (Peru), this company is a wholly-owned Group subsidiary.
In light of the very limited visibility for growth prospects in this country, this subsidiary is still in the process of being wound up.

CIS DOMINICANA

This wholly-owned subsidiary (capital: DOP 100,000) located in Santo Domingo (Dominican Republic) was created in 2013 to respond to the call for tender by the mining company, Barrick Gold.
This subsidiary which has been inactive since the end of the 2017 first half is being wound up.

E. NEW SUBSIDIARIES ACQUIRED OR CREATED IN 2018

None.

F. SUBSIDIARIES DISSOLVED, MERGED OR SOLD IN 2018

CIS GEORGIA

Created in 2002 as a wholly-owned subsidiary of the Group (capital: GEL 2,000) with its registered office in Tbilissi (Georgia), this wholly-owned subsidiary of our Group was wound up in 2018.

CIS UKRAINE

This wholly-owned subsidiary of our Group created in 1996 (capital: US$6,000), having its registered office in Kiev (Ukraine), was wound up in 2018.

UKRAINE CATERING & SERVICES (UCS)

This wholly-owned subsidiary of our Group, created in 2009 (capital: UAH 63,000, having its registered office in Kiev (Ukraine) was wound up in 2018.

CIS ASIA

This wholly-owned subsidiary of our Group created in 1997, (capital: UZS 583,600) with its registered office in Zarafshan (Uzbekistan), was wound up in 2018.

MYANMAR CATERING SERVICES (MCS)

This 85% owned subsidiary of our Group created in 1997 (capital: US$52,000), having its registered office in Yangon (Myanmar), was wound up in 2018.

CIS PACIFIC

This wholly-owned subsidiary of our Group created in 2013 (capital: XPF 200,000), with its registered office in Nouméa (New Caledonia), was wound up in 2018.

CISM VENEZUELA

This wholly-owned subsidiary of our Group created in 1998, (capital: VEF 20,000) with its registered office in Caracas (Venezuela), was wound up in 2018.

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

2018 Financial Report CIS Integrated Life Support Services

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.

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 long-term gearing of 27.6% and a net cash position representing 37.6% of total assets, the risk that the Group would be unable to honour its financial commitments is virtually nil.

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.

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

The legal department assures ongoing oversight of regulatory developments impacting the Group. In addition, the Group may have recourse to specialised consultants to clarify, if required, certain obligations, notably with respect to local regulations.

Litigation

- A dispute exists between CNAS and the Bank of Algeria, regarding the transfer of dividends.
  The Algerian Supreme Court rendered two rulings in favour of CNAS which were definitively confirmed by the decision by the Court of Appeals of 09/11/2016.
  A decision for the distribution of dividends for the benefit of CIS SA was in consequence voted on 01/02/2017 and the corresponding withholding tax on this distribution was paid to the Algerian tax authorities.
  In this context, the Bank of Algeria issued instructions on 15/02/2017 to all banks to lift the restriction on executing bank debit payments and to proceed with the international transfer of the funds, and in consequence distribute the dividends.
  Contrary to all expectations, on 07/05/2017 the Bank of Algeria opposed the request for transfer, without however providing any justifications.
  In consequence, after unsuccessful attempts to contact the Bank of Algeria, CNAS initiated an action in February 2018 to obtain the annulment of this decision before the Council of State which is still pending.
  The company's legal advisers have confirmed that there are no circumstances which could call into question the collection of the dividends, but that the process remains long.
- Pursuant to the litigation with the seller of the Congolese company, Top Service, as reported in the financial statements of the 2017 annual report, all amounts owed by the seller were paid to CIS in 2018. As a result, this dispute is now settled.

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 strengthens 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 9 December 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 (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 2018, 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 2018;
- Deploying the anti-corruption system within the Group;
- Ensuring compliance with the General Data Protection Regulation (EU Regulation No. 2016/679);
- 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:

- Drafting procedures and summarised guidelines to strengthen our crisis management capabilities in the face of any out-of-the-ordinary situations;
- 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 Group 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
An internal control department was created in 2013 reporting 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 financial controller 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.
- A position of vice president with responsibility for management control was created in 2012 tasked primarily 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 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 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, ethics 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 31 December 2018 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.

Group 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.

Its insurance policies are regularly renegotiated to adapt to changes in the Group's risk exposure. Accordingly, in 2018, the insurance policies covering our civil liability and goods transport were renegotiated and the guarantees provided thereunder were significantly increased. The Group also took out an insurance policy in 2014 for environmental damage that might be caused by our business.

Finally, the Group has taken out an insurance policy for directors and officers liability (D&O).

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 9 December 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 Risk Audit 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.

In 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 described 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 risk 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. In the future, the Group wishes to use a standardised version of this report for evaluating performances in the areas of health, safety and the environment and increase 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 ABUSES

The safety and health of people is a fundamental criterion for the Group, underpinning its permanent 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 the specialised risk management company, GEOS) and report a problem.

2018 Financial Report CIS Integrated Life Support Services

> 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 2018, 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, CIS reserves the right to 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 produced in 2018 were deployed 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 in 2018. On that basis, CIS' whistleblowing system now covers three types of alerts: (i) crisis situations (ii) health, safety and environmental situations and (iii) ethical situations.

5. MONITORING SYSTEM

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

The results of this vigilance plan for 2018 were as follows:

In the period, CIS improved its working methods for defining and understanding these risks. The Group has developed a process and function-based approach to the risk of activities identified within the Group's management system. Through this new system, the Group was able to implement measures to contain risks that were better adapted to their different typologies.
The creation of the Group's integrated whistleblowing system contributed to coherent Group-wide reporting of risks at all subsidiaries, and in this way enabling each subsidiary to better identify and manage its own risks.

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 31 December 2018, the share capital was comprised of 8.041.040 shares representing a total of 10.820.146 voting rights, all exercisable.

In 2018, Mr. Régis Arnoux tendered 95% of the CIS shares he personally held in FINRA, or a total of 2,489,103 CIS shares. After tendering the shares, FINRA now holds 46.96% of the CIS' capital and 46.05% of its voting rights. For the record, FINRA obtained an exemption from the French financial market authority, the AMF, to the obligation of filing a public tender offer for the CIS shares in accordance with article 234-9-7°of the AMF general regulation. The exemption notice dated 6 March 2018 has been published at the AMF website. This contribution of shares is part of the overall organisation of Mr. Régis Arnoux's succession and plan for the governance of CIS and the family holding company, notably in the event of his death, mainly for the purpose of maintaining the Arnoux family's majority holding in CIS' capital and preserving the interests of CIS, its employees and shareholders.

The free float also remained stable.

Shareholder	Number of shares		Voting rights	
Finra (R. Arnoux, Chairman & majority shareholder)	3,776,353	47.0%	4,983,193	46.1%
Ms. Solange Aloyan	587,244	7.3%	1,174,488	10.8%
Other registered shareholders	1,152,226	14.3%	2,280,237	21.1%
Actions auto-détenues* et compte de liquidités	191,242	2.4%	48,253	0.4%
Shares held in treasury* and the liquidity account	2,333,975	29.0%	2,333,975	21.6%
TOTAL	**8,041,040**	**100.0%**	**10,820,146**	**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 2018, 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
Florence Arnoux, Director	02/2018	-	3,500
Florence Arnoux, Director	06/2018	-	1,000
La Masia Financière, Deputy CEO	01 & 02/2018	5,338	-
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 4 August 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	173					204	54					22
Amount of invoices concerned incl. VAT (€ '000s)	601	619	259	17	1	896	1555	269	55	35	31	390
Percentage of total purchases of the period incl. VAT	2.2%	2.3%	0.9%	0.1%	0.0%	3.3%						
Percentage of revenue of the period incl. VAT							7.9%	1.4%	0.3%	0.2%	0.2%	2.0%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables or payables												
Number of invoices excluded	12						14					
Total amount of invoices excluded (€ '000s)	55						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 15 June 2018, 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 14 December 2019.

Under the authorisation granted by your General Meeting, the Board of Directors acquired and sold shares of the Company in 2018 for the purpose of maintaining an orderly market in its shares.
As part of its share buyback program, on 12 December 2018 CIS acquired a block of 50,000 shares representing 0.62% of the share capital.

At 31 December 2018, the Company held 191,245 own shares in treasury compared with 102,603 shares at 31 December 2017.

Liquidity agreement

On 17 November 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 2 January 2019 on the CIS website is summarised below:

- Number of shares: 48.253
- Balance in cash in the liquidity account : €133,023

In addition, this liquidity agreement entered into with the brokerage firm Gilbert Dupont was amended on two occasions in 2018:

- On 12 October 2018, CIS made an additional contribution of €50,000 to the agreement;
- On 27 November 2018, CIS made an additional contribution of €200,000 to the agreement.

XI. APPROPRIATION OF EARNINGS

In light of the consolidated net profit of €4,887,210 and the distributions to be made by subsidiaries of the Group of dividends in 2019 from the 2018 accounts, we propose, in this particular context, to appropriate the net loss of the parent company accounts for the period in the amount of €659,907.83 to «Other Reserves».

We propose the distribution of a dividend totalling €964,924.80 by appropriating the full amount from the «Other Reserves» account which on 31 December 2018 had a balance of €23,198,959.27.

For information, on the basis of 8,041,040 shares, if you approve this appropriation, the total dividend will be consequently €0.12 per share.

In accordance with article 243 bis of the French general tax code (Code Général des Impôts or CGI), it is specified that the total dividend amount proposed is eligible for the proportional rebate of 40% for natural persons having their tax residence in France (CGI art. 158-3-2° section 4°).

2018 Financial Report
CIS
Integrated Life Support Services

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.

	2015	2016	2017
Number of shares entitled to dividends	8,041,040	8,041,040	8,041,040
Net dividend per share	€0,12	€0,06	€0,11
Closing share price at year-end	€16.00	€16,90	€16,99

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 20,712 including €7,915 for expenses covered by Article 39-4 of this code.

XIV. INFORMATION ON CORPORATE OFFICERS

Information on corporate officers and their compensation is presented in the report on corporate governance included with this report.

Information on attendance fees paid to directors for fiscal 2018 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 31 December 2018, is disclosed below: 205,460 shares representing 2.6 % 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

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

We remind you that the Ordinary Annual General Meeting of CIS held on 6 June 2016 decided:

- to renew the appointments of Syrec, as Joint Statutory Auditors,
- renew the appointment of A.E.C.C. Gilbert Caulet, as Joint Alternate Auditors,

- to appoint:
  - PKF Audit Conseil as Joint Statutory Auditors in replacement of Grant Thornton,
  - Fiprovex as Joint Alternate Auditors in replacement of A.M.O. to finance

For six years or until the end of the ordinary general meeting called to approve the financial statements for the year 2021.

XIX. CORPORATE FOUNDATION

Pursuant to the decision by the General Meeting of 12 June 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 11 February 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.

On 8 March 2018, the Foundation's 10th anniversary was celebrated at an evening event organised in Marseille.

Since its creation, the CIS Foundation has supported more than 100 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 22 candidates during fiscal 2018.

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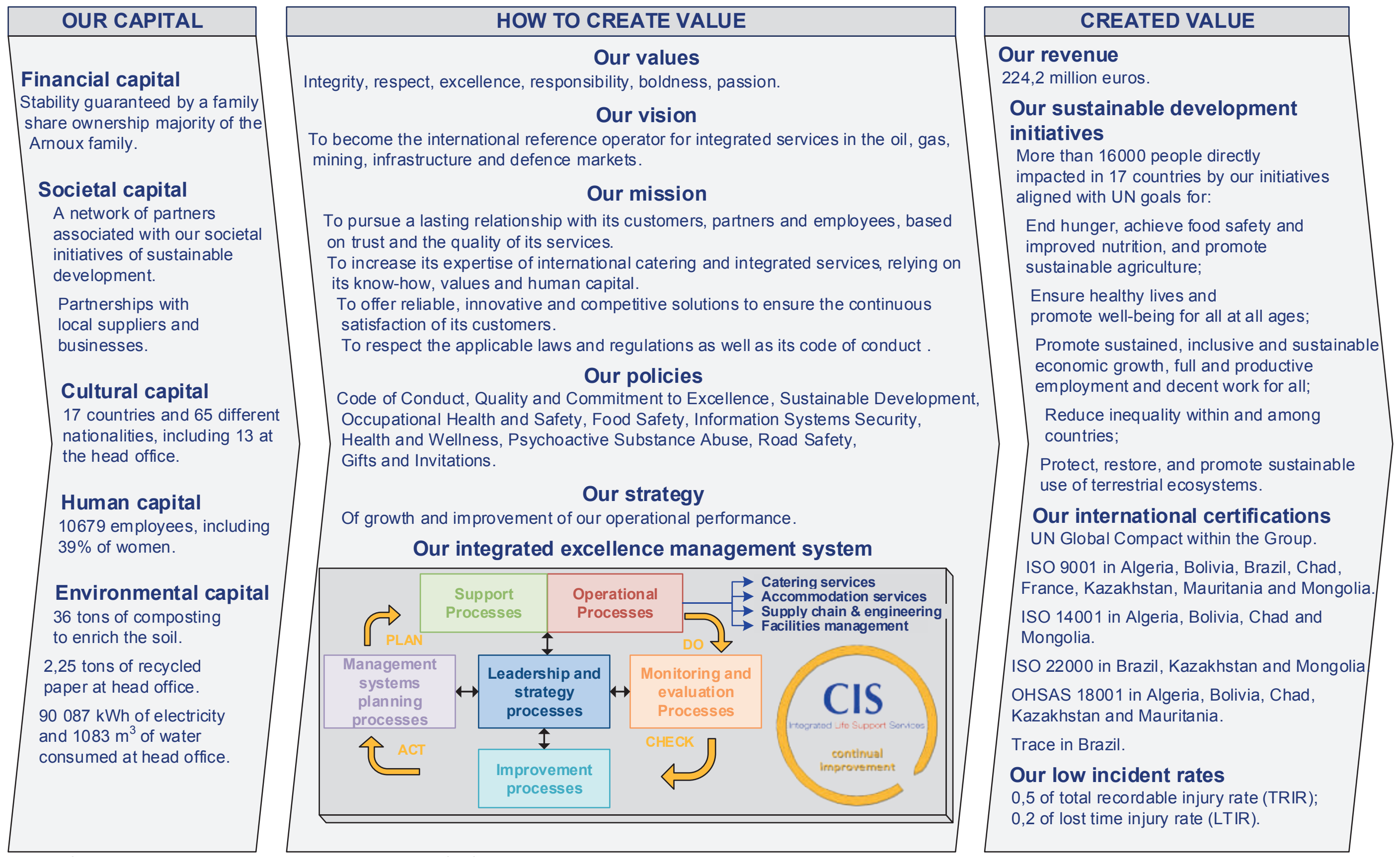
The draft resolutions we had produced relate to various items of business referred to above, as well as the discharge of the members of the Board of Directors and the agreements referred to in article L.225-38 et seq. of the Commercial Code, as well as the agreements similar in nature to those covered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

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

THE BOARD OF DIRECTORS

NON-FINANCIAL PERFORMANCE STATEMENT ON OPERATIONS FOR THE PERIOD ENDED 31 DECEMBER 2018

OUR VALUE CREATION MODEL



Version 003. Original date: 08 April 2017. Version date: 10 April 2019. Valid version only on IEMS platform.
Chart prepared by: Group Director of QHSE & SD. Approved by: CEO. Validated by: Group Director of QHSE & SD.

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 fundamental criteria for 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

2018 Financial Report
CIS
Integrated Life Support Services

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 base camp management specialised in providing remote hotel and catering services, CIS has an increasing responsibility to 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 Network France

Date d'adhésion au Global Compact
18 novembre 2005

Certificat d'adhésion au Global Compact des Nations Unies
remis à
Catering International & Services

pour son engagement au respect des dix principes du Global Compact des Nations Unies et plus largement aux Objectifs des Nations Unies.
Catering International & Services est également membre de l'association Global Compact France, réseau local officiel du Global Compact.
Catering International & Services a publié sa Communication sur le Progrès (COP) au niveau GC Advanced sur le site du Global Compact des Nations Unies, elle est donc à jour jusqu'au 19 septembre 2019.

Droits de l'Homme | Normes internationales du travail | Environnement | Lutte contre la corruption

Signature de l'Organisation

Signature et cachet Global Compact France

Global Compact France

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 12 July 2010 and the implementation decree of 24 April 2012. Decree°No. 2016-1138 of 19 August 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,
- CO2 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 their calculations and reliability.

Reporting period

The reporting period runs from 1 January to 31 December 2018. Data for comparison purposes relates to the period from 1 January 2017 to 31 December 2017.

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 2018, CIS Group did not incur expenditures (as in 2017) 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 31 December 2018, 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 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.

2018 Financial Report CIS Integrated Life Support Services

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 a certain number of SD initiatives per year, in each subsidiary, linked to the 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 annually when updated.

GUIDELINES

Information presented above has been produced in compliance with the «2018 CSR Reporting Guidelines» of the CIS Group and available on request.

THE CIS GROUP EMPLOYER PROFILE

OUR TEAMS

At 31 December 2018, the Group had 10,679 employees. Women accounted for 39% of the total workforce or 4,159 people. 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 2018 was 0.26% (calculated by dividing the number of days lost through absence by the number of working days per month).

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 2018, 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 0.5 compared to 0.4 in 2017. In 2018, 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 0.1 and 2017.

The frequency rate for road accidents, calculated according to a multiple of 500,000 accidents per vehicle-kilometre, amounted to 0.9 and 2018 compared to 0.8 in 2017.

No occupational illnesses were reported at the Group headquarters in 2018.

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 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 2018 in France, the Democratic Republic of Congo, Somalia and Chad.

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 65 different nationalities (13 for the Group's headquarters), and disabled employees 0.29 %. 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	16 %
40-44	14 %
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 27 January 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).

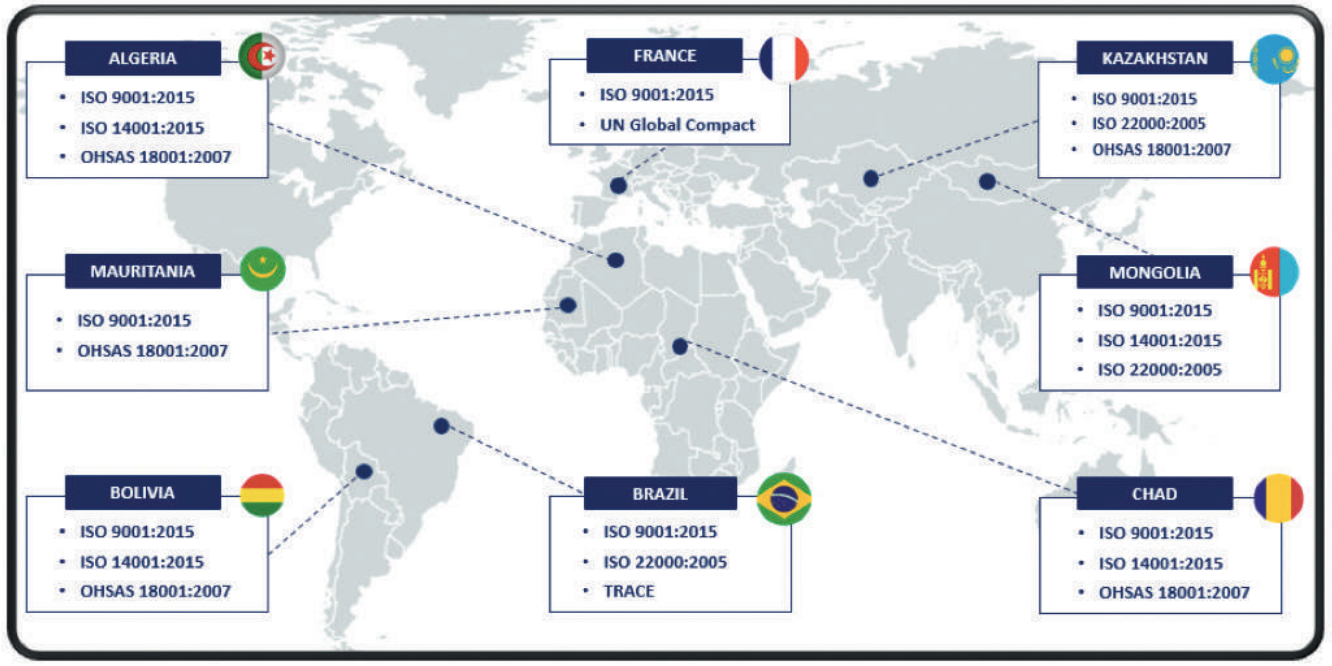
Fair business practices call for an engagement by all employees

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.

2018 Financial Report
CIS
Integrated Life Support Services

CIS GROUP AS AN ACTIVE ENVIRONMENTAL STAKEHOLDER

SEVERAL CERTIFICATION PROCESSES ARE IN PROGRESS



OUR COMMITMENTS IN FAVOUR OF PROTECTING THE ENVIRONMENT

Responsible consumption of resources
In 2018, for the Group headquarters, water consumption totalled 1,083 m3 and electricity consumption 90,087 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 5210 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 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.

The circular economy: limiting non-food waste
2.25 tonnes of paper were recycled in 2018 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 2018, the impact of our travel amounted to a CO2 concentration of 1,451 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 2.1 tons in CO2 emissions in 2018 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

Initiatives in the countries where we operate

Mauritania
A programme for reducing food wastage was implemented which included initiatives and awareness-raising campaigns targeting customers. Number of campaigns: 12. Approximately 2,000 beneficiaries.

Mozambique
The paper bags used for cutlery have been withdrawn from CIS's canteens and henceforth only distributors of washable cutlery are used. Approximately 800 beneficiaries.

Chad
A campaign for reducing the production of waste produced per meal and per person to less than 134 g. Approximately 800 beneficiaries.
Reducing ink and paper consumption in CIS offices with a target of a 30% reduction.

OUR SOCIETAL COMMITMENTS

Sustainable development initiatives and 2018
A number of initiatives has already been adopted in previous years. This information is available in the corresponding reports for these years.

Brazil
■ Donations of clothing and toys for Christmas for the children of the Centro Social Casa do Abraço. Approximately 77 beneficiaries.
■ Monthly food donations to the Centro Social Casa do Abraço. Approximately 150 beneficiaries.
■ Food donations to the Brazilian Red Cross for families who were impacted by the heavy rains in Macaé. Approximately 150 beneficiaries.

Burkina Faso
■ Financial support for the construction of a nursery for abandoned children.
■ Food donations to the Ouagadougou orphanage. Approximately 30 beneficiaries.
■ Donation of books to the children of the Ouagadougou orphanage. Approximately 30 beneficiaries.

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

France
■ Assisting young adults (aged 18-25) coming from under-resourced environments seeking to pursue their studies and supporting their entry into professional life. Approximately 22 beneficiaries.

2018 Financial Report CIS Integrated Life Support Services

Mali

■ Donation of signage for four schools located in high traffic areas of Bamako. Approximately 250 beneficiaries.

■ Donation of school kits for children from 10 villages of the Komana region. Approximately 400 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 2,000 beneficiaries.

■ Programme for reducing salt and fat. Approximately 2,000 beneficiaries.

■ A programme for reducing food wastage was implemented which included initiatives and awareness-raising campaigns targeting customers. Number of campaigns: 12. Approximately 2,000 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.

■ Annual student scholarships for the foundation of the French school at Nouakchott. Approximately 4 beneficiaries.

Mongolia

■ Offering lunches to students at the Khanbogd school. Approximately 40 meals per day.

■ 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.

■ Programme for reducing salt and fat. Approximately 6,000 beneficiaries.

■ Supporting the director of the Khanbogd village school create additional classes and recruit teachers for new students arriving as a result of migration to the Oyu Tolgoi project area.

■ An information and behaviour programme for children of the Khanbogd school. Approximately 120 beneficiaries.

■ A color-coded nutritional programme for clients of Oyu Tolgoi. Approximately 6,000 beneficiaries.

■ Providing meals to children celebrating the bird migration day. Approximately 40 beneficiaries.

■ Offering meals to older persons of Khanbogd during the Tsagaan Sar celebration. Approximately 30 beneficiaries.

■ Donation of school material to children of the Mogjookhon group. Approximately 40 beneficiaries.

■ Donation for the construction of toilets for the school of Khanbogd soum (county). Approximately 600 beneficiaries.

■ Payment of the monthly salary for a teacher of children of the Mogjookhon group. Approximately 40 beneficiaries.

■ Training to children on various subjects (health, safety, environment, food safety, nutrition, human resources, etc.). Approximately 350 beneficiaries.

■ Sponsoring the Shagain harvaa contest (a traditional Mongolian ankle-bone shooting game) in the Khanbogd soum. Approximately 60 beneficiaries.

■ Purchase of local food supplies (buuz a form of meat ravioli) from “Unud owlokhui urlakh LLC”, a company located in Dalanzadgad soum. Approximately 60 beneficiaries.

■ Purchase of cucumbers, tomatoes watermelons from a partner named “Uurdiin nogoon khurshuu” located in the Khanbogd soum. Approximately 60 beneficiaries.

■ Purchase of cucumbers, tomatoes watermelons from a partner named “Bileg Manlai” located in the Manlai soum. 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.

Mozambique

■ For the last three years, CIS has been supporting local agricultural groups near Nacala located in one of the region’s most productive valleys. Approximately 1200 beneficiaries.

■ CIS supports an association of young entrepreneurs and agricultural schools in the Nampula province. Approximately 1325 beneficiaries.

■ By purchasing fruits, vegetables and fish which represents 70% of total purchases by CIS Mozambique, CIS supports local communities by injecting substantial amounts into the local economy.

■ CIS has introduced simple and sustainable techniques designed to help local farmers produce according to their needs, . Approximately 850 beneficiaries.

■ Implementation of a programme for managing food waste, which included initiatives and awareness-raising campaigns targeting customers. Number of campaigns: 4

■ In compliance with the 3R policy (Reducing, Recycling, Reusing), CIS has implemented a number of training modules for personnel on the reuse of used coffee cups in the farm and also organic composting to process plant waste in the fields; explaining conservation techniques to farmers and planting new fruit trees (with 1,000 fruit trees planted in several villages).

■ Supplying organic waste for compost production at the CLN plant nursery. Approximately 800 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 80 beneficiaries.

■ CIS develop a partnership with the agricultural schools of the Nampula province, notably in Nacala and Nacuxa, and is collaborating with approximately 250 small farmers to increase production and purchase fruits and vegetables. Approximately 1300 beneficiaries.

■ The paper bags used for cutlery have been withdrawn from CIS’s canteens and henceforth only distributors of washable cutlery are used. Approximately 800 beneficiaries.

Democratic Republic of the Congo

■ A nutritional programme introduced in 2016 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 600 beneficiaries.

■ Programme for reducing salt and fat. Approximately 600 beneficiaries.

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

Chad

■ Signature of a memorandum of understanding with the School of Tourism, Hotel Services and Business of N’Djamena, providing for internships at CIS and organising classes. Approximately 48 beneficiaries.

■ A campaign for reducing the production of waste produced per meal and per person to less than 134g. Approximately 800 beneficiaries.

■ Food donations to the Biblique des Sourds of Bebedjia. Approximately 30 beneficiaries.

■ Partnership for sourcing and training with a new local supplier (Khadar & Aya) promoting access to employment to disadvantaged local populations of N’Djamena. Approximately 200 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.

■ Reducing ink and paper consumption in CIS offices with a target of a 30% reduction.

■ Donation of one month’s of food supplies for the Fondation Dieu Bénit’s orphanage. Approximately 150 beneficiaries.

■ Maintenance work in the classrooms of the Fondation Dieu Bénit so that the children can begin their school year on time; Approximately 150 beneficiaries.

■ Donation of school materials to children of the École de la non-violence in Doba. Approximately 100 beneficiaries.

■ A teacher specifically devoted to providing literacy courses for employees; Approximately 20 beneficiaries.

BALANCED NUTRITION AND DIET

With nearly 48 million meals served every year, 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.

Health 4 you by CIS

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 specifically 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

CIS Group promotes a policy of using local employees to fill positions: Local employees account for on average 98% of the operating activities. 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 from the PACA region originating from difficult environments by providing them with opportunities to join or pursue their studies and gain access to rewarding jobs in line with their ambitions for success. In 2013, the annual budget was increased by more than 33% to €40,000. The Foundation has supported 22 youth in pursuing their educational projects. Since 2008, it has supported 104 projects and a certain number of our scholarship beneficiaries were able to obtain their diploma and permanent jobs through the training financed by the CIS Foundation.

CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

2018 Financial Report CIS Integrated Life Support Services

CONSOLIDATED INCOME STATEMENT *(IFRS)*

For fiscal years ended 31 December 2018 and 2017
(€ thousands)

	Notes	31/12/2018	31/12/2017
REVENUE	**(3)**	224,162	**251,355**
Cost of sales		(97,492)	(108,819)
Staff costs	(22)	(75,290)	(84,860)
External charges		(33,109)	(31,841)
Taxes other than on income		(6,258)	(7,729)
Allowances for depreciation and amortisation		(2,556)	(3,330)
Provisions/reversals	(4)	**543**	(1,118)
CURRENT OPERATING PROFIT	**(3)**	10,000	**13,658**
Other operating income	(5)	184	80
Other operating expenses		**(551)**	(1,408)
OPERATING PROFIT		9,633	**12,330**
Cash and cash equivalents		3,428	2,021
Cost of gross financial debt		**(3,018)**	(3,096)
COST OF NET FINANCIAL DEBT	**(6)**	**410**	**(1,075)**
PROFIT BEFORE TAX		**10,043**	**11,255**
CORPORATE INCOME TAX	**(7)**	**(4,518)**	**(5,908)**
CONSOLIDATED NET PROFIT		5,525	**5,347**
Attributable to non-controlling interests		**(638)**	(1,032)
NET PROFIT ATTRIBUTABLE TO THE GROUP		4,887	**4,315**
Number of shares		*8,041,040*	8,041,040
Earnings per share (in euros)		*€0.61*	*€0.54*
Diluted earnings per share (in euros)		*€0.61*	*€0.54*

CONSOLIDATED BALANCE SHEET *(IFRS)*

For fiscal years ended 31 December 2018 and 2017
(€ thousands)

	Notes	31/12/2018	31/12/2017
NON-CURRENT ASSETS			
Net intangible assets	(8)	7,043	7,069
Net property, plant and equipment	(9)	7,407	7,421
Net financial assets	(10)	739	836
Deferred tax assets		208	274
TOTAL NON-CURRENT ASSETS		**15,397**	**15,600**
CURRENT ASSETS			
Inventories	(11)	11,743	12,652
Net trade receivables	(12)	43,192	44,687
Other current assets	(13)	7,271	7,750
Current tax assets		2,092	1,145
Cash and cash equivalents*	(14)	49,220	45,155
TOTAL CURRENT ASSETS		**113,518**	**111,389**
TOTAL ASSETS		**128,915**	**126,989**

** of which for Algeria €33,116,000 at 31/12/2018 and €28,530,000 at 31/12/2017.*

CONSOLIDATED BALANCE SHEET *(IFRS)*

For fiscal years ended 31 December 2018 and 2017
(€ thousands)

	Notes	31/12/2018	31/12/2017
Shareholders' equity			
Share capital		1,570	1,588
Reserves		49,921	48,516
ANNUAL PROFIT		**4,887**	**4,315**
Non-controlling interests		3,002	2,399
TOTAL SHAREHOLDERS' EQUITY		**59,380**	**56,818**
NON-CURRENT LIABILITIES			
Non-current provisions	(15)	1,441	1,979
Bank and other long-term borrowings	(16)	11,305	6,755
Deferred tax liabilities		0	0
TOTAL NON-CURRENT LIABILITIES		**12,746**	**8,734**
CURRENT LIABILITIES			
Current financial liabilities	(16)	6,543	9,623
Trade payables		32,439	31,668
Current tax assets		3,335	3,355
Other current liabilities	(17)	14,472	16,791
TOTAL CURRENT LIABILITIES		**56,789**	**61,437**
TOTAL EQUITY AND LIABILITIES		**128,915**	**126,989**

2018 Financial Report CIS Integrated Life Support Services

STATEMENT OF CASH FLOWS *(IFRS)*

For fiscal years ended 31 December 2018 and 2017
(€ thousands)

	31/12/2018	31/12/2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net profit	5,525	5,347
Non-cash items		
Allowances for depreciation and amortisation, provisions	2,029	2,985
Gains or losses from asset disposals	5	833
Changes in working capital		
Change in inventories	533	(369)
Change in trade and related receivables	1,654	3,315
Change in trade and related payables	423	956
Changes in other operating assets and liabilities	(3,081)	771
Net cash flows from operating activities	**7,088**	**13,838**
CASH FLOWS FROM INVESTING ACTIVITIES		
Impact of changes in Group structure	(3)	(390)
Acquisitions of intangible assets and property, plant and equipment	(2,579)	(2,601)
Acquisitions of financial assets	0	0
Disposals of intangible assets and property, plant and equipment	252	114
Disposals of financial assets	0	893
Other cash flows from investing activities	100	(145)
Cash provided (used in) financing activities	**(2,230)**	**(2,129)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Treasury shares	(969)	(686)
Capital increase	0	0
Proceeds from the issuance of borrowings	7,784	6,000
Decrease in borrowings	(5,825)	(3,698)
Dividends paid to Group shareholders	(885)	(482)
Dividends paid to non-controlling shareholders of subsidiaries	0	(1,828)
Cash provided (used in) financing activities	**105**	**(694)**
Exchange rate impact on cash	**(705)**	**(8,193)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**4,258**	**2,822**
NET CASH AT THE BEGINNING OF THE PERIOD	**44,158**	**41,336**
NET CASH AT THE END OF THE PERIOD	**48,416**	**44,158**

2018 Financial Report
CIS
Integrated Life Support Services

STATEMENT OF CHANGES IN EQUITY *(IFRS)*

For fiscal years ended 31 December 2018 and 2017
(in € thousands except shares)

	Number of shares	Capital	Reserves	Currency translation adjustments	Net profit	Non-controlling interests	TOTAL
Equity at 31 December 2016	**7,973,509**	**1,595**	**67,430**	**(8,982)**	**2,275**	**3,941**	**66,259**
Net income appropriation of the prior year			2,275		(2,275)		
Payment of dividends			(482)			(1,828)	(2,310)
Translation reserve				(11,232)		(119)	(11,351)
Treasury shares	(35,072)	(7)	(679)				(686)
Consolidated retained earnings							
Changes in Group structure			470	(284)		(627)	(441)
Net income for the financial year ended 31 December 2017					**4,315**	**1,032**	**5,347**
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	0		(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**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *(IFRS)*

For fiscal years ended 31 December 2018 and 2017
(€ thousands)

	31/12/2018	31/12/2017
CONSOLIDATED NET PROFIT	**5,525**	**5,347**
Translation differences of consolidated subsidiaries	(1,124)	(11,738)
Actuarial gains (losses) on defined benefit obligations	**-**	-
COMPREHENSIVE INCOME	**4,401**	**(6,391)**
Attributable to the Group	*3,758*	*(7,203)*
Attributable to non-controlling interests	*643*	*812*

2018 Financial Report CIS Integrated Life Support Services

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS *(Normes IFRS)*

For fiscal years ended 31 December 2018 and 2017

1. THE GROUP

The consolidated financial statements of CIS for the year ended 31 December 2018 were approved by the Board of Directors on 16 April 2019.
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 t EC regulation No. 1606/2002 of 19 July 2002 of 19 July 2002, companies listed on a regulated European market must prepare, for periods commencing on or after 1 January 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 2018 and 2017 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 1 January 2018.

- Amendments to IFRS 2: «Classification and measurement of share-based payment transactions»
- Amendments to IFRS 4: «Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts»
- IFRS 9: «Financial instruments»
- IFRS 15: «Revenue from contracts with customers»
- Amendment to IFRS 15: «Deferral of the effective date of IFRS 15»
- Amendments to IFRS 15: «Clarifications to IFRS 15»
- IFRIC 22 interpretation: «Foreign currency transactions and advanced consideration»

The provisions of IFRS 9 governing the options for recognising non-consolidated equity instruments and hedging instruments have no impact due to the absence of these instruments at CIS. Finally, this new standard introduces changes to the recognition of credit risks for trade receivables by replacing the incurred loss model by the expected credit loss model. The application of the new impairment model of IFRS 9 had no impact on the Group in relation to the recognition of impairment under IAS 39. Provision for impairment will continue to be determined by considering the risk of default on a case-by-case basis, in reference to both the profile of the customers and the countries in which the Group operates.
IFRS 15 «Revenue recognition» applied by the Group as of 1 January 2018 according to the full retrospective method had no impact at the level of Group revenue. The provisions concerning the presentation of the order book is presented in the paragraph on revenue recognition.

2018 Financial Report CIS Integrated Life Support Services

The following standards, amendments or interpretations were published by the IASB and adopted by the EU but their application was not mandatory for periods commencing on or after 1 January 2017:

- Amendments to IFRS 19: «Plan amendment, curtailment or settlement»
- Amendments to IFRS 28: « Long-term interests in associates and joint ventures»
- Amendments to IFRS 9: «Prepayment features with negative compensation»
- IFRS 16: «Leases»

The Group has not applied any of the standards or interpretations in advance.

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 31 December 2018, 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 2018 has not identified any hyperinflationary economy as defined by this standard, requiring a restatement approach to its financial statements.

The translation methods used for the financial statements of foreign subsidiaries were as follows:
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.

2018 Financial Report CIS Integrated Life Support Services

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 for frequency based on the month preceding the measurement. At 31 December 2018 this was valued at US$546 million.

Borrowing costs

In accordance with the guidelines of Revised IAS 23 applicable as from 1 January 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

Under IAS 17, leases are classified as finance leases when they result in transferring substantially all the risks and rewards incidental to ownership from the lessor to the lessee. All other contracts are considered as operating leases;

a. Lease financing

Assets held under finance leases are accounted for as assets of the Group at fair value as from the commencement of the lease or, if lower, at the fair value of minimum lease payments owed thereunder. The corresponding liability to the lessor is recognised in the balance sheet as a debt. Lease payments are broken down between the interest expense and the reduction of the outstanding liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. These interest expenses are recorded under net financial expense.
The Group does not have any significant operating leases providing such benefits and its financial statements are not subject to adjustments on that basis.

b. Operating leases

For operating leases, these payments are recognised as an expense in the income statement over the lease term. The benefits received an expected as a reward on signature of the operating lease are also spread over the lease term.

in connection with the obligation to apply IFRS 16 «Leases» or periods beginning on or after 1 January 2019, which will replace IAS 17:

- the Group has adopted the simplified retrospective approach for first-time application of the standard;
- the work undertaken to update the identification of the leases within the Group has been implemented: a specific file was been sent to the relevant subsidiaries, with training initiatives organised by the headquarters. The measures or supervision and ensuring the reliability of the work are in the process of being completed;
- The main leases identified concern real estate and vehicles. Property leased by CIS and charged back to the end customer are excluded from this analysis.
- Certain assumptions for calculation remain to be validated, notably concerning the lease period to be adopted for real estate for which in certain countries the leases do not specify the term.
- In this context, the Group is not able to determine the extent of the impacts expected at this stage.

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:

2018 Financial Report CIS Integrated Life Support Services

	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 to 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 31/12/2018 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. As the total amount of Group revenue is generated outside of France, and it operates in a single business, segment information is presented by region as follows (€ thousands):

			2018	2017
(1)	**AFRICA**	REVENUE	115,099	138,123
		CURRENT OPERATING PROFIT	9,536	10,745
(2)	**MIDDLE EAST / OCEANIA**	REVENUE	13,614	15,136
		CURRENT OPERATING PROFIT	466	(546)
(3)	**EURASIA**	REVENUE	58,058	50,492
		CURRENT OPERATING PROFIT	(140)	2,675
(4)	**AMERICAS**	REVENUE	37,391	47,604
		CURRENT OPERATING PROFIT	138	784
	REVENUE		**224,162**	**251,355**
	CURRENT OPERATING PROFIT		**10,000**	**13,658**

(1) ALGERIA - BURKINA FASO - CONGO (DRC) - MALAWI - MALI - MAURITANIA - MOZAMBIQUE - NIGER - UGANDA - SOMALIA - CHAD

(2) SAUDI ARABIA - UNITED ARAB EMIRATES - ERITREA - KUWAIT - QATAR - NEW CALEDONIA

(3) KAZAKHSTAN - MONGOLIA - RUSSIA

(4) THE BAHAMAS - BOLIVIA - BRAZIL - DOMINICAN REPUBLIC

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.

2018 Financial Report CIS Integrated Life Support Services

4. ALLOWANCES AND REVERSAL OF PROVISIONS

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

	2018	2017
Provisions for collection risks for trade and other receivables	(191)	(605)
Operating allowances	(215)	(776)
Reversal of provisions for collection risks for trade and other receivables	255	74
Reversal of operating allowances	694	189
Provisions/reversals	**543**	**(1,118)**

5. OTHER FINANCIAL INCOME AND EXPENSES

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

	2018	2017
Profit from asset disposals	170	12
Changes in Group structure		12
Miscellaneous operating income		
Payment differences	14	56
Compensation from other disputes		
Other operating income	**184**	**80**
Customer disputes		
Labour disputes	(121)	(155)
Other lawsuit contingencies	(215)	(299)
Destruction of trade goods		
Penalties	(183)	(954)
Changes in Group structure	(32)	
Impairment of goodwill		
Payment differences		
Other operating expenses	**(551)**	**(1,408)**

6. ANALYSIS OF NET FINANCIAL INCOME (EXPENSE)

Financial expense breaks down as follows (€ thousands):

	2018	2017
Net proceeds from the disposal of marketable securities	0	0
Income from cash equivalents	532	524
Interest expense on borrowings	(525)	(812)
Other interest and similar expenses	(293)	(239)
Other financial income	31	14
Net borrowing costs	**(255)**	**(513)**
Translation differences	665	(562)
Net financial expense	**410**	**(1,075)**

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 corporate tax line item of the income statement breaks down as follows (€ thousands):

	2018	2017
Profit before tax	10,043	11,255
Tax at French rate of $33^{1/3}$%	(3,348)	(3,752)
Impact of non-deductible expenses	(6)	(15)
Impact of operating country tax rates and tax bases	(1,164)	(2,141)
Corporate tax income (expense)	**(4,518)**	**(5,908)**

8. INTANGIBLE ASSETS

Intangible assets include the following items (€ thousands):

	31/12/2017	Acquisitions/ Allowances	Disposals / Reversals	Currency translation adjustments	Changes in Group structure	31/12/2018
Software	1,225	83	0	(30)	81	1,359
Goodwill	6,600					6,600
Non-compete clauses	2,300					2,300
Other intangible assets	517	5	(117)	0		405
Gross intangible assets	**10,642**	**88**	**(117)**	**(30)**	**81**	**10,664**
Amortisation of software	(914)	(145)	0	21	0	(1,038)
Amortisation of non-compete clauses	(2,300)					(2,300)
Amortisation of other intangible fixed assets	(359)	(41)	117			(283)
Amortisation, depreciation and impairment	**(3,573)**	**(186)**	**117**	**21**	**0**	**(3,621)**
Net intangible assets	**7,069**					**7,043**

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 the goodwill arising from the acquisition of Cieptal in 2006.
This goodwill is tested for impairment annually based on the individual value of this CGUs.
The following assumptions were used to determine their value in use.

	2018	2017
Discount rate (WACC)	7.0%	7.0%
Of which country risk premium	8.0%	8.0%
Perpetuity growth rate	3.0%	3,0%
Budget period	3 years	3 years

Furthermore, to prevent any risk 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):

	31/12/2017	Acquisitions/ Allowances	Disposals / Reversals	Currency translation adjustments	Changes in Group structure	31/12/2018
Buildings and living compounds	5,001	4		90		5,095
Plant, machinery and equipment	8,494	1,051	(378)	(301)	3	8,869
General equipment, fixtures and miscellaneous improvements	3,428	93	0	(8)	(14)	3,499
Transport equipment	5,618	319	(487)	47	84	5,581
Office and computer equipment:	1,588	439	(33)	(42)	15	1,967
Tangible assets under construction	93	570	(12)	10	(81)	580
Gross property, plant and equipment	**24,222**	**2,476**	**(910)**	**(204)**	**7**	**25,591**
Depreciation of buildings and living compounds	(2,198)	(169)	0	(42)	0	(2,409)
Depreciation of plant, machinery and equipment	(6,749)	(1,072)	339	281	0	(7,201)
Depreciation of general equipment, fixtures and miscellaneous improvements	(2,258)	(351)	0	(7)	11	(2,605)
Depreciation of transport equipment	(4,304)	(596)	456	(37)	(54)	(4,535)
Depreciation of office and computer equipment	(1,292)	(182)	32	24	(16)	(1,434)
Amortisation, depreciation and impairment	**(16,801)**	**(2,370)**	**827**	**219**	**(59)**	**(18,184)**
Net property, plant and equipment	**7,421**					**7,407**

2018 Financial Report CIS Integrated Life Support Services

10. NON-CURRENT FINANCIAL ASSETS

Financial assets include the following (€ thousands):

	31/12/2017	Increase	Decrease	Currency translation adjustments	Changes in Group structure	31/12/2018
Deposits and guarantees	832	1,002	(1,101)	3	0	736
Loans and financial assets	4	10	(10)	(1)	0	3
Net financial assets	**836**	**1,012**	**(1,111)**	**2**	**0**	**739**

11. INVENTORIES

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

	31/12/2018	31/12/2017
Inventory of trade goods	11,743	12,652
Provisions for impairment		
Net inventories	**11,743**	**12,652**

12. TRADE RECEIVABLES

Trade receivables break down as follows (€ thousands):

	31/12/2018	31/12/2017
Trade receivables	45,398	47,071
Doubtful trade receivables	(2,206)	(2,384)
Net trade receivables	**43,192**	**44,687**

13. OTHER CURRENT ASSETS

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

	31/12/2018	31/12/2017
Advances and instalments paid on orders	1,265	690
Other receivables	4,492	4,997
Provisions for doubtful trade receivables		
Prepaid expenses	1,514	2,063
Other current assets	**7,271**	**7,750**

14. CASH AND CASH EQUIVALENTS

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

	31/12/2018	31/12/2017
Unrestricted cash	16,104	16,625
Restricted cash not available for use by the group	33,116	28,530
Income from cash and cash equivalents	**49,220**	**45,155**

Cash not available for use by the group is cash blocked in Algeria pursuant to a litigation that was settled in favour of the subsidiary CNAS following the decision rendered by the Court of Appeals of Algiers of 09/11/2016. A decision for the distribution of dividends for the benefit of CIS SA was in consequence voted on 01/02/2017 and the corresponding withholding tax on this distribution was paid to the Algerian tax authorities.
In this context, the Bank of Algeria issued instructions on 15/02/2017 to all banks to lift the restriction on executing bank debit payments and to proceed with the international transfer of the funds, and in consequence distribute the dividends.
Contrary to all expectations, on 07/05/2017 the Bank of Algeria opposed the request for transfer, without however providing any justifications.
In consequence, CNAS, after unsuccessful attempts to contact the Bank of Algeria, initiated an action in February 2018 seeking to obtain the annulment of this decision before the Council of State. This procedure is still in progress and the company's legal advisers have confirmed that there are no circumstances which could call into question the collection of the dividends, but that the process remains long.

2018 Financial Report CIS Integrated Life Support Services

15. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

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

	31/12/2017	Allowances	Reversals (provisions used in the period)	Reversals (unused provisions)	Currency translation adjustments	31/12/2018
Labour disputes	340	141	(39)	(30)		412
Other lawsuit contingencies for subsidiaries	1,411	69	(255)	(370)	(12)	843
Provisions for pension liabilities	228	1	(7)	(36)		186
Provisions and other non-current liabilities	**1,979**	**211**	**(301)**	**(436)**	**(12)**	**1,441**

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. The 70% acquisition of Top Service in the Democratic Republic of Congo was also financed through a bank loan.

Bank	Net carrying value in € thousands at 31/12/2017	Net carrying value in € thousands at 31/12/2018	Nominal amount in €	Rate	Maturity < 1 yr.	Maturity >2 and < 5 yrs.	Maturity > 5 yrs.
BNP (France)	2,300		2,300	2.82%			
BNP (France)	6,000	9,664	10,000	1.80%	1,359	8,305	
Société Générale (France)	3,000		6,000	2.30%			
Société Générale (France)	944	755	1,510	1.95%	755		
CEPAC (France)		3,000	3,000	1.03%		3,000	
Itau (Brésil)	755	675	675	9.51%	675		
Itau (Brésil)	503	450	450	9.51%	450		
Itau (Brésil)		1,125	1,125	8.60%	1,125		
BNP (Brésil)	1,259			10.18%			
Sberbank (Russie)		502	502	9.60%	502		
Altyn Bank (Kazakhstan)		228	228	11.25%	228		
Bank borrowings	**14,761**	**16,399**			**5,094**	**11,305**	**0**
Bank overdrafts	997	804			804		
Current accounts	620	645			645		
Long-term debt	**16,378**	**17,848**			**6,543**	**11,305**	**0**

17. OTHER CURRENT LIABILITIES

Other current liabilities include the following (€ thousands):

	31/12/2018	31/12/2017
Advances and down-payments on orders in progress	946	129
Other tax and social security payables	13,493	15,872
Other payables	33	790
Other current liabilities	**14,472**	**16,791**

18. SHAREHOLDERS' EQUITY

As of 31 December 2018, the share capital of Catering International & Services was composed of 8,041,040 shares with a par value of €0.20.

At 31 December 2018, the Company held 191,245 treasury shares for an amount of €3,096,000 recognised as a deduction from equity. For information, at 31 December 2017, 102,603 own shares valued at €2,126,000 were held in treasury and deducted in consequence from equity.

In the financial year, the General Meeting decided to distribute €885,000 in dividends.

19. RELATED PARTY TRANSACTIONS

- Pursuant to the authorisation of the Board of Directors of 10 April 2018, your company concluded a 9-year commercial lease for professional use with Financière Régis Arnoux SAS in exchange for monthly rental payments of €45,360 excluding charges. These offices were previously leased from SCPI Placement Pierre before being acquired by FINRA. For fiscal 2018, under the terms of this agreement, expenses of €32,920 were recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of 10 April 2018, your company concluded a 9-year commercial lease for professional use with Financière Régis Arnoux SAS in exchange for monthly rental payments of €87,120 excluding charges. These offices were previously leased from SCPI Placement Pierre before being acquired by FINRA. For fiscal 2018, under the terms of this agreement, expenses of €69,790 were recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of 10 April 2018, your company concluded a 9-year commercial lease for professional use with Financière Régis Arnoux SAS in exchange for monthly rental payments of €99,360 excluding charges. This lease agreement cancels and replaces the previous agreement authorised by the Board of Directors on 26 May 2016. For fiscal 2018, under the terms of this agreement, expenses of €66,240 were recognised for rental payments excluding charges.

- Pursuant to the authorisation of the Board of Directors of 26 May 2016, your company concluded a 14-year commercial lease for professional use with Financière Régis Arnoux SAS in exchange for monthly rental payments of €72,000 excluding charges. These offices were previously leased from Genepierre before being acquired by FINRA. For fiscal 2018, under the terms of this agreement, expenses of €24,173 were recognised for rental payments excluding charges. This agreement expired on 30 April 2018 and was replaced by the agreement approved by the Board of Directors on 10 April 2018.

■ Pursuant to the authorisation of the Board of Directors of 28 March 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 2018, under the terms of this agreement, expenses of €39,000 excluding tax were recognised for fees.

■ Pursuant to the authorisation of the Board of Directors of 16 September 2015, your company concluded a 12-year commercial lease for professional use with SCI BORELY in exchange for monthly rental payments of €8,000 excluding charges. These offices will be used to create new workspaces to meet needs resulting from the development of activity. For fiscal 2018, under the terms of this agreement, expenses of €32,240 were recognised for rental payments excluding charges.

■ Pursuant to the authorisation of the Board of Directors of 4 July 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 2018, under the terms of this agreement, no expense was recorded.

20. OFF-BALANCE-SHEET CONTINGENCIES AND COMMITMENTS

■ No capital lease commitments exist.

■ Commitments given at 31 December 2018 amounted to €14,557,000 of which:

▪ performance bonds	€11,390,000
▪ advance payment guarantees	€2,082,000
▪ tender bonds	€885,000
▪ other guarantees	€200,000

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 €184,000 relating exclusively to headquarters and expatriate staff. Benefits for local staff are not material in light of less favourable regulations, high turnover and the use of fixed-term employment contracts amounting to €2,000 at 31/12/2018.
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;

2018 Financial Report CIS Integrated Life Support Services

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):

	2018			2017		
	Headcount	Salaries and social contributions	External staff costs	Headcount	Salaries and social contributions	External staff costs
Headquarters staff	47	6,070		43	5,521	
Expatriate staff				116	4,185	
Local staff	9,436	69,023		9,994	75,154	
Total CIS staff	**9,483**	**75,093**	**0**	**10,153**	**84,860**	0
Local external staff	1,003	197	11,129	549		5,889
Workforce managed by the Group	**10,486**	**75,290**	**11,129**	**10,702**	**84,860**	**5,889**

As from 1 January 2018, CIS decided to outsource its expatriate staff to a company specialised in the management of international mobility for large customers. This strategic partnership provides CIS with specialised consulting expertise while offering coverage which is better adapted to the situation of each employee. The corresponding costs of these services are now included under external charges rather than staff costs previously, and concern 131 employees in 2018.

23. CONSOLIDATED COMPANIES

The following companies were consolidated:

Company	Consolidation method	Ownership interests (%) of the Group	
		2018	2017
CIS	Parent company	100%	100%
ARCTIC CATERING SERVICES (ACS)	Full consolidation	100%	100%
CIS UKRAINE (1)	Unconsolidated	0%	100%
CIS ASIA (2)	Unconsolidated	0%	100%
ARCTIC CATERING SERVICES (ACS) (3)	Unconsolidated	0%	85%
CIS CAMEROON	Full consolidation	100%	100%
CIS CHAD	Full consolidation	100%	100%
CIS BOLIVIA	Full consolidation	99%	99%

CISM VENEZUELA [4]	Unconsolidated	0%	100%
CIS BRAZIL	Full consolidation	100%	100%
CATERING NORTH AFRICA SERVICES	Full consolidation	100%	100%
CIS GEORGIE [5]	Unconsolidated	0%	100%
CIS NEW CALEDONIA	Full consolidation	60%	60%
CIS PERU	Full consolidation	100%	100%
CIEPTAL	Full consolidation	100%	100%
ICS GUINEA CONAKRY	Full consolidation	100%	100%
CISY YEMEN	Full consolidation	50%	50%
UKRAINE CATERING & SERVICES [6]	Unconsolidated	0%	100%
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%
CIS PACIFIC [7]	Unconsolidated	0%	100%
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	Full consolidation	55%	55%
CIS MEA	Full consolidation	100%	100%
TSC RDC	Full consolidation	100%	100%
CIS KOWEIT	Full consolidation	94%	94%

The Yemeni company CISY and the Mongolian company Support Services Mongolia 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% 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 and SSM,
- CIS SA has exposure to variable returns from its involvement with the CISY and SSM
- CIS SA has the ability to use its power over CISY and SSM to affect the amount of these returns.

(1) CIS UKRAINE, deconsolidated in December 2018.
(2) CIS ASIE, deconsolidated in December 2018.
(3) ARCTIC CATERING SERVICES (ACS) , deconsolidated in December 2018.
(4) CISM VENEZUELA, deconsolidated in December 2018.
(5) CIS GEORGIE, deconsolidated in December 2018.
(6) UKRAINE CATERING & SERVICES, deconsolidated in December 2018.
(7) CIS PACIFIC, deconsolidated in July 2018.

24. AUDITORS' FEES

Group Auditors:

AUDIT CONSEIL EXPERTISE, SAS
MEMBRE DE 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 2018	**FY 2017**	**FY 2018**	**FY 2017**	**FY 2018**	**FY 2017**
	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)	48.3	47.3	48.3	47.3	166.9	182.4
Service other than account certification	4.8		12.0		7.5	7.0
Total fees	**53.1**	**47.3**	**60.3**	**47.3**	**174.4**	**189.4**

25. SUBSEQUENT EVENTS

None.

2018 Financial Report CIS Integrated Life Support Services

SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

CATERING INTERNATIONAL & SERVICES ***Income statement*** (1/2) (in euros)			Financial year Y ended 31/12/2018			Y-1 at 31/12/2017
			France	**Export**	**Total**	
OPERATING REVENUES		Sales of goods held for resale	0	0	0	0
		Sold production: goods	0	0	0	0
		Sold production: services	0	23,844,049	23,844,049	23,330,318
		Net sales	**0**	**23,844,049**	**23,844,049**	**23,330,318**
		Change in finished goods and in-progress inventory			0	0
		Capitalised production			0	0
		Operating grants			0	0
		Reversals of depreciation, amortisation and provisions and expense reclassifications			699,900	490,860
		Other income			0	0
		Total operating income (1)			**24,543,949**	**23,821,178**
OPERATING EXPENSES		Purchase of trade goods			0	0
		Changes in inventories (trade goods)			0	0
		Purchase of raw material and other supplies			9,567,007	8,459,163
		Changes in inventories (purchase of raw material and other supplies)			(923,353)	247,044
		Other purchases and external charges			12,023,036	8,306,084
		Taxes and similar payments (other than on income)			782,046	532,160
		Wages and salaries			5,813,814	9,137,189
		Social security contributions			2,322,091	2,699,511
	OPERATING ALLOWANCES	Fixed assets depreciation allowance			323,515	456,615
		Provisions for losses in value of fixed assets			0	0
		Provision for losses on current assets			936,000	2,093,000
		Provisions for contingencies and expenses			745,100	273,900
		Other expenses			413,412	215,000
		Total operating expenses (II)			**32,002,668**	**32,419,666**
1- OPERATING PROFIT (LOSS) (I-II)					**(7,458,719)**	**(8,598,488)**
Joint operations		**Profits attributed or losses transferred (III)**			**0**	**0**
		Loss incurred or transferred profit (IV)			**0**	**0**

***CATERING INTERNATIONAL & SERVICES* *Income statement* (2/2) (in euros)**		**Financial year Y ended 31/12/2018**	**Y-1 at 31/12/2017**
FINANCIAL INCOME	Financial income from equity interests	7,990,253	33,255,800
	Income from other securities and long-term receivables	0	0
	Other interest and similar income	25,216	13,427
	Reversals of provisions and expense reclassifications	1,053,722	1,669,506
	Foreign exchanges gains	1,041,507	618,406
	Net gain from the disposal of marketable securities	0	0
	Total financial income (V)	**10,110,698**	**35,557,139**
FINANCIAL EXPENSES	Allowances for amortisation and reserves	1,993,266	1, 823,922
	Interest and similar expenses	415,163	415,592
	Foreign exchange losses	433,986	981,870
	Net losses from the disposal of marketable securities	91,224	0
	Total financial expense (VI)	**2,933,639**	**3,221,384**
2- NET FINANCIAL PROFIT / (EXPENSE) (V-VI)		**7,177,059**	**32,335,756**
3- PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL ITEMS (I-II+III-IV+V-VI)		**(281,660)**	**23,737,268**
EXCEPTIONAL INCOME	Exceptional income from non-capital transactions	106,896	433,637
	Exceptional income from capital transactions	13,720	892,670
	Reversals of provisions and expense reclassifications	0	0
	Total exceptional income (VII)	**120,616**	**1,326,307**
EXCEPTIONAL EXPENSES	Exceptional expenses on non-capital transactions	377,569	341,605
	Exceptional expenses on capital transactions	12,086	1,739,292
	Exceptional appropriations for amortisations and reserves	0	0
	Total exceptional expenses (VIII)	**389,655**	**2,080,897**
4- NET EXCEPTIONAL ITEMS (V-VI)		**(269,039)**	**(754,590)**
	Employee profit sharing (IX)	**0**	**0**
	Income tax expense (X)	**109,209**	**43,797**
TOTAL REVENUES (I+III+V+VII)		**34,775,263**	**60,704,625**
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)		**35,435,171**	**37,765,744**
5- PROFIT OR LOSS (Total revenues - Total expense)		**(659,908)**	**22,938,881**

***CATERING INTERNATIONAL & SERVICES* *Balance Sheet - Assets* (in euros)**			**Financial year Y ended 31/12/2018**			**Y-1 at 31/12/2017**
			Gross	Depreciation, amortisation, provisions	Net	Net
		Uncalled subscribed capital (I)	**0**	**0**	**0**	**0**
NON-CURRENT ASSETS	INTANGIBLE ASSETS	Start-up costs	0	0	0	0
		Research and development expenditures	0	0	0	0
		Concessions, patents and similar rights	656,671	572,288	84,382	49,836
		Goodwill	0	0	0	0
		Other intangible assets	2,700,500	2,581,997	118,503	157,936
		Advances and prepayments on intangible assets	0	0	0	0
	PROPERTY, PLANT AND EQUIPMENT	Land	0	0	0	0
		Buildings	0	0	0	0
		Plant, machinery and equipment	361,661	272,405	89,256	111,586
		Other tangible assets	3,295,388	2,875,326	420,061	534,125
		Tangible assets under construction	0	0	0	92,878
		Advances and deposits	0	0	0	0
	NON-CURRENT FINANCIAL ASSETS	Equity-accounted investments	0	0	0	0
		Other investments	11,946,805	1,618,700	10,328,105	10,419,330
		Investment-related receivables	0	0	0	0
		Other fixed securities	484	0	484	484
		Loans	0	0	0	0
		Other financial assets	63,365	0	63,365	58,432
		TOTAL (II)	**19,024,876**	**7,920,717**	**11,104,156**	**11,424,608**
CURRENT ASSETS	INVENTORIES	Raw materials and supplies	2,903,836	0	2,903,836	1,980,483
		Work-in-progress: goods	0	0	0	0
		Work-in-progress: services	0	0	0	0
		Semi-finished and finished products	0	0	0	0
		Trade goods	0	0	0	0
		Advances and instalments paid on orders	151,211	0	151,211	154,746
	RECEIVABLES	Trade receivables and related accounts	3,900,318	375,000	3,525,318	2,654,216
		Other receivables	38,503,240	5,602,000	32,901,240	32,810,067
		Subscribed capital called and unpaid	0	0	0	0
	MISCEL-LANEOUS	Marketable securities	3,096,960	1,344,200	1,752,760	1,745,238
		Cash and cash equivalents	2,648,433	0	2,648,433	2,486,681
ACCRUAL ACCOUNTS		Prepaid expenses	475,283	0	475,283	**607,638**
		TOTAL (III)	**51,679,280**	**7,321,200**	**44,358,080**	**42,439,069**
		Charges to be spread over several periods (IV)	**0**		**0**	**0**
		Bond redemption premiums (V)	**0**		**0**	**0**
		Unrealised exchange losses (VI)	**1,032,366**		**1,032,366**	**1,053,722**
		TOTAL (I to VI)	**71,736,519**	**15,241,917**	**56,494,603**	**54,917,399**

2018 Financial Report
CIS
Integrated Life Support Services

	CATERING INTERNATIONAL & SERVICES ***Balance Sheet - Equity & Liabilities*** (in euros)	**Financial year Y ended 31/12/2018**	**Y-1 at 31/12/2017**
SHAREHOLDERS' EQUITY	Share capital or individual share	1,608,208	1,608,208
	Additional paid-in capital	1,500,721	1,500,721
	Revaluation difference	0	0
	Legal reserve	160,821	160,821
	Statutory or contractual reserves	0	0
	Tax-based reserves	0	0
	Other reserves	23,198,959	1,144,592
	Retained earnings	0	0
	ANNUAL PROFIT OR LOSS	**(659,908)**	**22,938,881**
	Investment grants	0	0
	Tax-driven provisions	0	0
	TOTAL (I)	**25,808,801**	**27,353,223**
OTHER EQUITY	Proceeds of issuance of non-voting shares	0	0
	Advances on conditions	0	0
	TOTAL (II)	**0**	**0**
PROVISIONS FOR CONTINGENCIES AND EXPENSES	Provision for contingencies	2,141,666	1,856,622
	Provisions for expenses	184,400	227,600
	TOTAL (III)	**2,326,066**	**2,084,222**
PAYABLES	Convertible bonds	0	0
	Other bond loans	0	0
	Bank borrowings	14,141,995	13,099,754
	Other borrowings and financial liabilities	4,127,909	3,637,245
	Advances and down-payments on orders in progress	0	0
	Trade payables and related accounts	7,648,513	3,441,897
	Tax and social security payables	1,948,703	4,658,040
	Payables to suppliers of fixed assets and related accounts	15,245	28,577
	Other payables	123,308	119,745
ACCRUAL ACCOUNTS	Deferred revenue	0	0
	TOTAL (IV)	**28,005,673**	**24,985,259**
	Unrealised exchange gains (V)	**354,063**	**494,695**
	TOTAL (I to V)	**56,494,603**	**54,917,399**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Notes to the separate annual financial statements before the income appropriation for the year with total assets of €56,494,603 and an income statement presented in list form showing revenue of €23,844,049 and a loss of €659,908.
The financial period runs for twelve months from 1 January to 31 December 2018.
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 31 December 2018 were approved by the Board of Directors on 16 April 2019.

1. ANNUAL HIGHLIGHTS

As from 1 January 2018, CIS decided to outsource its expatriate staff to a company specialised in the management of international mobility for large customers. This strategic partnership provides CIS with specialised consulting expertise while offering coverage which is better adapted to the situation of each employee. The corresponding costs of these services are now included under external charges rather than staff costs previously, and concern 131 employees in 2018.

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 10 December 2018 of the French accounting standard setter (Autorité des Normes Comptables or ANC) with respect to French GAAP, and approved by the decision of 26 December 2018 (Journal Officiel of 30 December 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 31 December 2018
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 (in euros)

	Amount at the beginning of the financial year	*Increase*	*Decrease*	*Amount at the end of the financial year*
Intangible assets:				
Software	561,682	94,988	0	656,670
Goodwill	116,960	0	116,960	0
Other intangible assets	400,500	0	0	400,500
Non-compete clauses	2,300,000	0	0	2,300,000
Total	**3,379,142**	**94,988**	**116,960**	**3,357,170**
Property, plant and equipment:				
Construction of living compounds	0	0	0	0
Plant, machinery and equipment	339,397	54,942	32,679	361,660
General equipment, fixtures and misc. improvements	1,673,819	4,832	0	1,678,651
Transport equipment	1,064,916	0	5,888	1,059,028
Office and computer equipment	541,695	27,471	11,459	557,707
Tangible assets under construction	92,878	0	92,878	0
Total	**3,712,705**	**87,245**	**142,904**	**3,657,046**
Financial assets:				
Equity investments	12,038,030	0	91,224	11,946,806
Other fixed securities	484	0	0	484
Investment-related receivables	0	0	0	0
Loans	0	0	0	0
Deposits & security paid	58,432	8,432	3,500	63,364
Total	**12,096,946**	**8,432**	**94,724**	**12,010,654**
Total	**19,188,793**	**190,665**	**354,588**	**19,024,870**

AMORTISATION AND DEPRECIATION (in euros)

	Amount at the beginning of the financial year	*Increase*	*Decrease*	*Amount at the end of the financial year*
Intangible assets:				
Software	511,846	60,442	0	572,288
Goodwill	116,960	0	116,960	0
Other intangible assets	242,564	39,433	0	281,997
Non-compete clauses	2,300,000	0	0	2,300,000
Total	**3,171,370**	**99,875**	**116,960**	**3,154,285**
Property, plant and equipment:				
Construction of remote sites	0	0	0	0
Plant, machinery and equipment	227,811	77,273	32,679	272,405
General fixtures and fittings	1,216,898	92,441	0	1,309,339
Transport equipment	1,037,880	18,895	5,888	1,050,887
Office and computer equipment	491,527	35,031	11,458	515,100
Total	**2,974,116**	**223 640**	**50,025**	**3,147,731**
Total	**6,145,486**	**323,515**	**166,985**	**6,302,016**

PROVISIONS (in euros)	***Amount at the beginning of the financial year***	***Increase***	***Decrease***	***Amount at the end of the financial year***
Provisions for contingencies and expenses				
Disputes [1]	802,900	745,100	438 700	1,109,300
For foreign exchange losses	1,053,722	1,032,366	1, 053,722	1,032,366
For pension and similar obligations	227,600	0	43,200	184,400
Total	**2,084,222**	**1,777,466**	**1,535,622**	**2,326,066**
Provisions for impairment:				
For equity investments	1,618,700	0	0	1,618,700
For trade receivables	358,000	17,000	0	375,000
For current accounts	4,901,000	919,000	218,000	5,602,000
For miscellaneous receivables	0	0	0	0
For treasury shares	383,300	960,900	0	1,344,200
Total	**7,261,000**	**1,896,900**	**218,000**	**8,939,900**
Total	**9,345,222**	**3,674,366**	**1,753,622**	**11,265,966**

(1) reversal of €438,700 of which €408,700 used

STATUTORY DISCLOSURES ON THE ACCOUNTS RECEIVABLE AND PAYABLE AGED TRIAL BALANCE (in euros)

	Gross amount	***Of which up to a maximum of 1 year***	***which more than more than 1 year***
RECEIVABLES:			
Non-current assets			
Equity investments	11,946,805		11,946,805
Investment-related receivables	0		0
Loans and other financial assets	484		484
Deposits & cautions paid	63 365		63 365
Current assets			
Doubtful receivables	375,000	375,000	
Other trade receivables	3,525,318	3,525,318	
Employee and related receivables	32,043	32,043	
Government receivables and equivalent	1,028,090	1,028,090	
Group and partners [2]	37,318,262	31,716,262	5,602,000
Trade receivables	49,362	49,362	
Sundry debtors	0	0	
Other foreign tax receivables	0	0	
Accrued income	75,483	75,483	
Advances in instalments paid on orders	151,211	151,211	
Prepaid expenses	475,283	475,283	
TOTAL	**55,040,706**	**37,428,052**	**17,612,654**
PAYABLES:			
Borrowings	13,419,083	2,113,853	11,305,230
Bank overdrafts	722,912	722,912	
Group and partners	4,127,909	4,127,909	
Trade payables and related accounts	7,648,513	7,648,513	
Customer advances	67,839	67,839	
Employee-related and social security payables	1,754,909	1,754,909	
Government payables and equivalent	109,790	109,790	
Payables on fixed assets	15,245	15,245	
Shareholders, payment for capital increase	0	0	
Other foreign tax payables	84,004	84,004	
Other accrued expenses	55,469	55,469	
Deferred revenue	0	0	
TOTAL	**28,005,673**	**16,700,443**	**11,305,230**

(2) of which €28,332,584 in dividends receivable: €28,049,979 concerning the Algerian subsidiary CNAS having voted to make a dividend distribution to CIS SA on 01/02/2017. The Bank of Algeria opposed the request for transfer, without however providing any justifications for its decision. In February 2018 CNAS initiated a procedure before the Council of State which is still pending and the company's legal advisers have confirmed that there are no circumstances which could call into question the collection of the dividends, but that the process remains long.

ACCRUED EXPENSES (in euros)

Employee-related and social security payables	1,554,752
Government payables and equivalent	109,790
Trade payables	2,960,411
Other financial liabilities	55,469
Total	**4,688,422**

PREPAID EXPENSES *(in euros)*

Operating expenses	475,283

CAPITAL STOCK

As of 31December 2015, the share capital was comprised of 8,041,040 shares with a par value of €0.20 per share.
At 31 December 2018, the Company held 191,245 treasury shares for a gross amount of €3,095,936.
At 31 December 2017, 102,603 own shares recognised at €2,126,492 (gross value) were held in treasury.

(in euros except number of shares)	**Number of shares**	**Capital**	**Reserves**	**Net Profit**	**TOTAL**
EQUITY at 31/12/2016	**8,041,040**	**1,608,208**	**8,723,837**	**(5,435,240)**	**4,896,804**
Net income appropriation of the prior year			(5,435,240)	5,435,240	
Payment of dividends			(482,462)		(482,462)
Net income for the financial year ended 31/12/2017				**22,938,881**	**22,938,881**
EQUITY at 31/12/2017	**8,041,040**	**1,608,208**	**2,806,134**	**22,938,881**	**27,353,223**
Net income appropriation of the prior year			22,938,881	(22,938,881)	
Payment of dividends			(884,514)		(884,514)
Net income for the financial year ended 31/12/2018				**(659,908)**	**(659,908)**
EQUITY at 31/12/2018	**8,041,040**	**1,608,208**	**24,860,501**	**(659,908)**	**25,808,801**

ANNUAL REVENUE BREAKDOWN *(in euros)*

Revenue includes revenues of the headquarters and branch operations. In accordance with Decree No. 83-1020 of 29 November 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	17,555,549
Middle East	2,779,319
Commonwealth of Independent States	2,116,768
AMERICAS	717,887
Asia / Oceania	674,526
Total	**23,844,049**

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 *(in euros)*

	Expenses	Income
Settlement differences for trade receivables, trade payables and third parties	(3,383)	344
Labour disputes & settlements	(121,104)	0
Customer & supplier disputes	(57,051)	46,114
Other foreign disputes	(196,031)	0
Penalties on social charges for foreign operations	0	0
Changes in Group structure	0	60,438
Disposal or retirement of assets	(12,086)	13,720
Total	**(389,655)**	**120,616**

BREAKDOWN OF INCOME TAX *(in euros)*

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

	Profit before tax	Tax	Profit after tax
Profit or loss before exceptional items	(281,660)	(55,856)	(337,516)
Exceptional income / (loss) (excl. profit sharing)	(269,039)	(53,353)	(322,392)
Accounting profit / (loss) (excl. profit sharing)	(550,699)	(109,209)	(659,908)

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 €412,000 was recorded for employee-related litigation.

OFF-BALANCE SHEET COMMITMENTS

Bank commitments given on 31 December 2018 amounted to €8,835,067 including €8,202,959 in guaranties given for our subsidiaries and namely:

- €4,295,645 for ACS Russia,
- €3,375,338 for CIS Brazil,
- €432,884 for CIS Bolivia.
- €99,092 for CIS Niger.

PENSION LIABILITIES

A provision of €184,400 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 31 December 2018, 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.

COMPENSATION OF DIRECTORS AND OFFICERS

Management bodies	**€1,358,103**
■ of which gross salary	€809,048
■ of which benefits in-kind	€14,824
■ of which attendance fees	€15,000
■ of which other benefits	€519,231
Attendance fees of other members of the Board of Directors	**€180,000**

ADVANCES OR LOANS GRANTED TO EXECUTIVE OFFICERS

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

AVERAGE WORKFORCE

Salaried employees: 562	France :	47
	Other countries:	515

LIST OF SUBSIDIARIES

COMPANIES	Share capital (Closing Price)	Shareholders' Equity excluding Share Capital (Closing Price)	Ownership interest (%)	Gross carrying value (net) 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 f or the Year Ended (Closing Price)	Dividends received by the company during the year (Historical Price)
CIS MIDDLE EAST	€23,744	€92,610	100%	€21,146	€352,001	€0	€0	(€32,592)	€1,187,197
CIS MEA	€11,872	€(1,101,201)	100%	€12,257	€500,402	€0	€0	(€353,313)	€0
CIS BURKINA FASO	€1,524	€185,333	100%	€1,524	€170,547	€0	€4,055,441	€3,865	€0
CIS BOLIVIA	€4,657	€803,995	99%	€4,643	€23,716	€432,884	€6,821,250	(€87,619)	€0
CIS BRAZIL	€4,622,007	€1,562,856	100%	€9,601,792	€0	€3,375,338	€29,882,843	€1,562,856	€0
CIS CAMEROON	€7,622	€0	100%	€7,622	€0	€0	€0	€0	€0
TSC	€1,052	€1,573,398	100%	€384,556	€0	€0	€5,232,585	€682,461	€0
CATER CONGO	€15,245	(€15,304)	100%	€15,245	€15,304	€0	€0	€0	€0
CIS DOMINICANA	€1,735	€178,417	100%	€1,702	€0	€0	€0	€4,963	€0
CATERING NORTH AFRICA SERVICES	€7,389	€10,159,753	100%	€10,824	€0	€0	€0	€48,831	€0
GCS GUINEA CONAKRY	€957	(€2,407,967)	100%	€1,065	€2,321,204	€0	€0	€8,507	€0
ICS GUINEA CONAKRY	€957	(€31,598)	100%	€800	€32,280	€0	€0	€401	€0
MOHJAT AL-IRAQ GENERAL TRADE	€3,656	(€149,673)	100%	€3,304	€0	€0	€0	€0	€0
CIS KUWAIT	€28,744	(€1,374,220)	94%	€28,240	€1,345,477	€0	€0	€0	€0
CAC KAZAKHSTAN	€165	€692,471	100%	€8,278	€218,393	€0	€17,208,346	€460,590	€861,364
CIS MALI	€15,245	(€83,325)	100%	€686,020 / (€21)	€398,120	€0	€1,938,750	€109,918	€0
SUPPORT SERVICES MONGOLIA	€140,384	€3,043,145	49%	€90,295	€135,029	€0	€23,551,902	€1,085,316	€461,162
CNA	€4,778	€5,998,534	100%	€5,338	€0	€0	€23,442,972	€5,996,956	€5,185,869
CIS MOÇAMBIQUE	€283	€93,626	80%	€448	€0	€0	€123,181	(€1,827)	€0
CIS NIGER	€1,524	€356,723	100%	€1,524	€41,899	€99,092	€1,898,912	€157,239	€59,754
CIS PERU	€857,613	(€1,422,037)	100%	€932,727 / (€27)	€565,047	€0	€0	(€4,626)	€0
ARCTIC CATERING SERVICES (ACS)	€1,405	(€190,840)	100%	€15,046	€2,070,418	€4,295,645	€17,297,911	(€508,184)	€591,034
CIS ARABIA	€116,222	€578,115	55%	€64,840	€649,146	€0	€10,862,229	€67,845	€0
CIS CHAD	€7,622	€0	100%	€7,622	€0	€0	€0	€0	€0
CIS NEW CALEDONIA	€41,900	(€439,709)	60%	€25,140	€73,580	€0	€0	(€9,149)	€0
CIS YEMEN	€27,876	€2,233,252	50%	€14,803	€0	€0	€0	€12,832	€0

FIVE-YEAR FINANCIAL HIGHLIGHTS AND OTHER STATUTORY DISCLOSURES *(in euros)*

Nature of information	FY Y - 4 2014	FY Y- 3 2015	FY Y - 2 2016	FY Y - 1 2017	FY N 2018
CAPITAL STOCK AT YEAR-END					
Share capital	1,608,208	1,608,208	1,608,208	1,608,208	1,608,208
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	49,787,133	34,237,969	23,051,823	23,330,318	23,844,049
Earnings before tax, profit-sharing, amortisation, depreciation and provisions	6,230,970	1,637,133	(1,136,531)	25,469,749	1,693,560
Income tax	1,282,206	589,667	786,194	43,797	109,209
Employee profit-sharing for the financial year	-	-	-	-	-
Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions	2,091,462	803,686	(5,435,240)	22,938,881	(659,908)
Distributed earnings (in year Y for Y-1)	1,045,335	1,447,387	964,925	482,462	884,514
EARNINGS PER SHARE					
Income after tax and employee profit-sharing but before depreciation allowances and provisions	0.62	0.13	(0.24)	3.16	0.20
Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions	0.26	0.10	(0.68)	2.85	(0.08)
Net dividend per share (distributed in year Y for Y-1)	0.13	0.18	0.12	0.06	0.11
STAFF					
Average headquarters staff for the period	40	41	41	43	47
Annual payroll (headquarters and expatriate)	16,219,155	14,002,061	10,199,283	9,137,189	5,813,814
Total social charges and benefits paid for the period (social security, charities, etc.)	3,528,278	3,234,842	2,656,526	2,699,511	2,322,091

2018 Financial Report
CIS
Integrated Life Support Services

REPORT ON CORPORATE GOVERNANCE

This report on corporate governance has been drawn up in accordance with the provisions of ministerial decree (ordonnance) 2017-1162 of 12 July 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 16 April 2019.

I. CORPORATE GOVERNANCE

Starting in 2016, the Board of Directors has referred to the MiddleNext corporate governance code, updated in September 2016. This code may be consulted at the MiddleNext website (www.middlenext.com).

The goal of this code is to create confidence between the different stakeholders. It seeks to offer greater flexibility in order to take into account the specific characteristics of different companies.

In accordance with the «Comply or Explain» rule, those recommendations of this code not applied and the reasons thereof are presented below:

MiddleNext Code recommendations not followed by the Company :	Application of the «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 adopted by the Board of Directors on 15 April 2016 provide that directors 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 Company does not publish the biography and information online relating to directors whose appointment or renewal has been proposed to the General Meeting. However, this information is provided to the shareholders as part of the process of communicating and making the Annual Report available.

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 combines the functions of Chairman and Chief Executive Officer (or Président and Directeur Général). It was considered that combining these two positions was more suited to the operation of the Company and the efficacy of the decision-making process.

No restrictions have been placed on the powers of the Chairman and Chief Executive Officer.
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 (6 Board members out of 11);
- Furthermore, meetings are organised on a regular basis to prepare for the work of the Board.

To improve its governance, in 2018 CIS created a strategy committee and a compensation committee whose missions are described below in paragraph 2.5.

Jeremy de Brabant, after deciding to pursue new professional opportunities, terminated his duties as Deputy Chief Executive Officer at the end of 2018.

2. 2 COMPOSITION OF THE BOARD OF DIRECTORS

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.

One of the directors, Mr. David Lee Zimmerman resigned from his office for personal reasons effective 10 April 2018 and the Board of Directors decided not to appoint a replacement.
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 the Group	Other appointments and functions exercised outside the Group
Régis ARNOUX Chairman of the Board of Directors and Chief Executive Officer	No	05/02/1992	AGM held to approve the financial statements for the year ending 31/12/2018*	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 31/12/2018*	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 31/12/2018*	Strategy Committee Member	• Director of EVOLEN • Director of MEDEF International
Frédérique SALAMON Director	No	05/02/1992	AGM held to approve the financial statements for the year ending 31/12/2018*	• Internal Audit Committee member • Strategy Committee Member	• Managing Partner of Flaym Consulting (SARL)
Financière Régis Arnoux (FINRA) Director Permanent representative: Monique Arnoux	No	15/06/2010	AGM held to approve the financial statements for the year ending 31/12/2018*	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	Strategy Committee Chair	• None
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 31/12/2018*	• Internal Audit Committee member • Compensation Committee Chair	• Member of the Strategy Board of 50 Partners Impact • Director of Pyrex Cookware ICG • Director of Micropole SA
Frédéric BEDIN Director	Yes	26/05/2011	AGM held to approve the financial statements for the year ending 31/12/2018*	None	• Chair of the Executive Board of Hopscotch Groupe (SA) • Chief Executive Officer of Hopscotch Groupe (SA) • Director of Hopscotch Système Asia (SA) • Chairman of Holding Système (SA) • Member of the Supervisory Board of Sopexa (SA) • Director of Fondation Entreprendre and Director of UNIMEV (Union Française des Métiers de l'Evénement), 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 31/12/2018*	Internal Audit Committee Chair	• Director of HEOH (SA) • Partner of SEA PROVEN (SAS)
Gonzague de BLIGNIERES 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 Raise Investissement (SAS) • Director of Fondation Bettencourt-Schueller • Director of the Adie endowment fund • Director of United Way Alliance (Not-For-Profit) • Honorary Chairman of the Réseau Entreprendre Paris
YLD Conseil Director Permanent representative: Yves-Louis Darricarrere	Yes	06/06/2016	AGM held to approve the financial statements for the year ending 31/12/2018*	• Strategy Committee Member • Compensation Committee member	• Director of Ortec (SA) • Director of NHV

****With the terms of office of these directors expiring at the end of the annual Ordinary General Meeting of 14 June 2019, the Board of Directors proposed the renewal of all these offices for a new term of three years.***

Diversity policy
In accordance with article L.225-37-4 of the French commercial code, the Board of Directors 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.

The Board of Directors is also constantly seeking to achieve a balanced representation of men and women within its specialised committees as described in below in paragraph 2.5.
The Board of Directors also notes that women occupy 43% of the senior positions within the Management Committee.

Gender balance
The Board of Directors currently counts five women out of a total of 11 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 for 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.

Choice of directors
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.

2.3 CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

■ Rules of procedure of the Board of Directors and conduct of business rules
On 15 April 2016, the Board of Directors adopted rules of procedure specifying the conduct of business rules for directors and Board operating procedures, in accordance with Middlenext Code recommendation 7. All directors have signed these rules of procedure. On this basis, each director is informed of the obligations arising from their appointment, and notably those relating to the rules on holding several positions, in the event of any conflict of interests arising after their appointment, a director must inform the Board; directors should have good attendance records and ensure they have obtained all necessary information on the subjects addressed in the meetings before making any decision and they must observe the rules of professional secrecy and ethics in this area.

The rules of procedure stipulate notably that:
- The Board of Directors' powers and restrictions 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;
- he working of the Board and directors' compensation rules.

In compliance with Recommendation 7 du 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.

In addition, at the request of its Chairman, the Board of Directors formed an ad hoc succession planning committee. This committee presented its conclusions to the Board of Directors on 21 February 2018. Accordingly, it should be noted that the purpose of all provisions is 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 of Directors, after conducting a review of known conflicts of interest, declares that no conflicts of interest are known to exist for its members. The Board of Directors 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.

The Company does not apply paragraph 9 of recommendation 1 relating to the presence of directors at the general meeting. However, the rules of procedure provides that directors undertake to participate in general meetings and directors have been informed of the importance of their participation in these meetings.

■ Frequency of meetings
The Board of Directors meets as often as the interests of the Company require. In accordance with Recommendation 5 of the MiddleNext Code, the Board holds a minimum of four meetings a year.

■ Meeting notices
On that basis, directors may be called by all means within a reasonable time period and at least 8 days before the proposed Board meeting date.
In accordance with Article L.823-17of the French commercial code, the Statutory Auditors were invited to the meetings that reviewed and approved the interim and annual financial statements.

■ Transmission of information to directors
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 and at least 8 days before each meeting is held, 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.

■ Holding of meetings
The meetings of the Company's Board of Directors are mainly held at the company's headquarters, while the meetings destined to approve the interim and annual financial statements are as a general rule held in Paris.

2018 Financial Report CIS Integrated Life Support Services

■ **Minutes of meetings**
The minutes of meetings of the Board of Directors are drawn up at the close of every meeting.

■ **Evaluation of the Board's work**
The Board of Directors 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 of Directors to be satisfactory. The Board of Directors has defined an action plan to improve its work and will ensure the implementation and follow-up of these plans once a year.

2.4 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 of Directors 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 of Directors 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 the year ended 31 December 2018, the Board met twice in plenary session and addressed notably the following items of business.

Date	Agenda items	Attendance rate
21/02/2018	Presentation of the conclusions of the ad hoc committee on the succession planning for Régis Arnoux, Chairman-CEO and Founder. Creation of two new committees: the Strategy Committee and the Compensation Committee Discussions on the criteria for awarding restricted stock units Presentation of the pre-closing of the 2017 accounts - The extension of the term of the Corporate Foundation;	100%
10/04/2018	Adoption of the financial statements as at 31/12/2017 Preparatory documents and the meeting notice for the General Meeting of 15/06/2018.	92%
17/07/2018	Grant of restricted stock units for the benefit of Jeremy De Brabant, Deputy Chief Executive Officer	100%
13/09/2018	Adoption of the interim financial statements as at 30/06/2018	100%
09/10/2018	Update on the company's executive management Miscellaneous questions: long-term action plans	100%
24/10/2018	Resignation of the Deputy Chief Executive Officer, Jeremy De Brabant Miscellaneous questions: update on the employment contract of Jeremy De Brabant	100%

The average meeting attendance rate for directors was 99 % in 2018. 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 2018.

2.5 SPECIAL COMMITTEES

To improve its governance, in 2018 CIS created a strategy committee and a compensation committee whose composition and missions are described below.

■ **Internal Audit Committee**
An Internal Audit Committee was created in 2010.

Under the exclusive joint responsibility of the members of the Board of Directors of CIS and to ensure the quality of internal control and reliability of financial information provided to shareholders and financial markets, the Audit Committee exercises the following missions:

1. Ensuring oversight of the process of preparing financial information, before examination of the financial statements by the Board of Directors and in particular:
   - Examining the annual and interim financial statements;
   - Examining 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 statement, 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.
2. Monitoring the performance of internal control and risk management systems and in particular;
   - 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.
3. Monitoring the work of the Statutory Auditors and in particular ensuring their independence:
   - Making all recommendations on the Statutory Auditors put before the General Meeting regarding appointments or renewals and propose their compensation;
   - Proposing the setting of rules governing the use of Statutory Auditors for work other than statutory auditing in order to guarantee the independence of the auditing services provided by the latter in compliance with the laws, regulations and recommendations applicable to CIS, and ensuring their proper application;
   - Approving all provisions of services other than those relating to the certification of the accounts by the Statutory Auditors in compliance with applicable regulations and regardless of the amount involved. These services must be analysed on an individual basis and approved by the Audit Committee. The Audit Committee issues its opinion after having analysed the risks in relation to independence and the measures taken to mitigate these risks applied by the statutory auditors in view of the certification provided by the latter documenting the analysis substantiating its conclusion that the services comply with the applicable conduct of business rules and rules of independence.
   - The Audit Committee formalises on this occasion its conclusions, under the terms of which the nature of the missions authorised do not compromise the statutory auditors' independence.

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 Committee, however the procedures of intervention are presented to it.

2018 Financial Report CIS Integrated Life Support Services

4. 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 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 this Internal Audit Committee is comprised of three directors (two of which are independent including the Internal Audit Committee Chair) as well as one member from outside the Board selected for their expertise in the field of finance and accounting and their knowledge of the Company's business.

- Amiral Forissier, permanent representative of Marine Firminy, independent director and Chair of the Internal Audit 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, Audit Committee members are not subject to any hierarchical or disciplinary authority within the Company.

The Audit Committee met five times in 2018.

The Committee had regular exchanges with the Statutory Auditors of the Company notably when the new report of the statutory auditors was prepared for the Audit Committee.

In order to take into account the new provisions resulting from the Audit reform, the rules of procedure of the Audit Committee were updated by the Board of Directors on 14 September 2017.

■ Strategy committee

A Strategy Committee was created on 21 February 2018.
This committee was created to assist the Company and the Board of Directors in their work.
The Committee is tasked notably with the following missions:

1. 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;
2. 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 was 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 Chair and independent director;
- Florence Arnoux, director:
- Frédérique Salamon, director;
- Yves Louis Darricarrère, permanent representative of YLD Conseil, independent director.

■ Compensation committee

A Compensation Committee was created on 21 February 2018.
The Committee is tasked notably with the following missions:

1. Studying questions relating to components of compensation of any nature of CIS' executives and CIS' compensation policy, and in particular:
   - Ensuring that compensation is in aligned with the corporate interest;
   - Ensuring that compensation is in aligned with the interests of the shareholders;
2. Ensuring that CIS complies with the principles of corporate governance established by the MiddleNext Code;
3. Providing its recommendations on the section of the annual report devoted to information for shareholders on the subjects and the Board's work;
4. Examining any project relating to the distribution of stock options and other types of share-based profit-sharing schemes.

On the date of this report, the Compensation Committee was 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 Chair and independent director;
- Yves Louis Darricarrère, permanent representative of YLD Conseil, independent director;
- Gonzague de Blignieres, director.

III. COMPENSATION AND BENEFITS

3.1 COMPENSATION OF ANY NATURE PAID TO NON-EXECUTIVE DIRECTORS.

All directors receive in compensation for their activity a fixed annual amount in the form of attendance fees that is set by the General Meeting. This amount is freely allocated among the members by the Board of Directors according to their attendance at Board meetings and, as applicable, the Audit Committee or any other committee.

The total amount of attendance fees paid in 2018 for fiscal 2017 amounted to €180,000.

Information on the amount of compensation paid to each director in 2018 is provided below. This information also includes, when appropriate, any commitments of whatsoever nature made by the Company to the benefit of its executive officers, with respect to any compensation, severance payments or other benefits likely to be payable pursuant to the commencement, termination or change of their duties or subsequent thereto, as well as the conditions for determination of such commitments.

- Régis Arnoux, Chairman of the Board of Directors and Chief Executive Officer: € 366,000 for wages and directors' attendance fees.

2018 Financial Report CIS Integrated Life Support Services

- FINRA, Director: € 193,000 for rental payments and €15,000 for directors' attendance fees.
- Monique Arnoux, Director: € 15,000 for directors' attendance fees.
- Florence Arnoux, Director: € 180,000 for wages and directors' attendance fees.
- Frédérique Salamon, Director: € 59,000 for management fees and attendance fees as a member of the Board of Directors and the Audit Committee.
- CANTOS Ltd, Director: € 15,000 for directors' attendance fees.
- Financiere Lucinda, Director: €20,000 for management fees and attendance fees as a member of the Board of Directors and the Audit Committee.
- Frédéric Bedin, Director: € 15,000 for directors' attendance fees.
- Marine Firminy, Director: €20,000 for management fees and attendance fees as a member of the Board of Directors and the Audit Committee.
- Gonzague de Blignieres, director: € 15,000 for directors' attendance fees.
- YLD Conseil, Director: € 15,000 for directors' attendance fees.
- David Lee Zimmerman, director until 10 April 2018: € 15,000 for directors' attendance fees.

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 COMPENSATION OF EXECUTIVE OFFICERS

Report of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature granted to the Chairman-CEO and the Deputy CEO

This report was prepared and drawn up by the Board of Directors on 16 April 2019 in accordance with provisions of article L.225-37-2 and L.225-100 of the French commercial code.

1. General principles for setting executive officer compensation

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 .

At the next General Meeting of 14 June 2019, shareholders will be asked to approve the compensation policy for executive officers (14th resolution).

In each case, the principles and criteria adopted by the Board of Directors for fiscal 2019 will be presented in this report.

The purpose of CIS' compensation policy 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.

<u>**Compensation policy applicable to Mr. Régis Arnoux, Chairman-Chief Executive Officer**</u>

The compensation policy for the Chief Executive Officer for fiscal 2019 was adopted by the Board of Directors on 16 April 2019 and is described below.

There were no significant changes in relation to the compensation policy adopted in 2018;

Gross 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 2019 at a gross amount of €342,000.

This gross annual compensation is determined in reference to the experience, responsibilities and the benchmarks 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. Arnoux benefits from the use of a company car.

Pension and personal protection benefits
Mr. Arnoux is not a beneficiary of a supplemental retirement plan.

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

Attendance fees
Mr. Arnoux receives attendance fees as a director, the amount of which is determined by the General Meeting and allocated by the Board of Directors.

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

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

Other compensation or benefits due or that may be due by Group companies, on the basis of his office.
Mr. 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.

2. Components of compensation paid or granted for fiscal 2018 submitted to the vote of the Annual General Meeting of 14 June 2019

In application of article L.225-100 of the French commercial code, pursuant to the vote of the General Meeting of 15 June 2018 on the compensation policy proposed for the period ended 31 December 2018, you are asked to approve the components of fixed, variable and exceptional compensation making up the total compensation and benefits of any nature paid or granted to Mr. Régis Arnoux (15th resolution), Chairman-CEO, and Mr. Jeremy De Brabant (16th resolution), Deputy CEO, for the period ended 31 December 2018, as presented below:

2018 Financial Report CIS Integrated Life Support Services

M. Régis ARNOUX, Chairman and Chief Executive Officer

Components of compensation paid or granted for fiscal 2018	Amounts	Comments
Gross annual compensation	€342,000	Growth fixed compensation for fiscal 2018 set by the Annual General Meeting on 15 June 2018
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
Attendance fees	€15,000	As Chairman of the Board of Directors of CIS, Mr. Arnoux receives compensation in the form of a fixed annual amount as attendance fees, 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

Mr. Jeremy de BRABANT, Deputy Chief Executive Officer & Chief International Business Development Officer whose duties came to an end on 30 November 2018

Components of compensation paid or granted for fiscal 2018	Amounts	Comments
Gross annual compensation	€87,500 as an officer of the company €224,583 under his employment contract €24,531 for his accrued vacation benefits	Growth fixed compensation for fiscal 2018 set by the Annual General Meeting on 15 June 2018
Variable compensation	€62,183 as an officer of the company €68,250 under his employment contract	Gross variable portion linked to objectives
Benefits of any nature	5,500	Mr. De Brabant benefits from the use of a company car
Pension and personal protection benefits	N/A	Not applicable
Severance benefit	519,231	Mr. de Brabant is also entitled to severance benefits in the event of his termination, excluding for reasons of gross negligence or wilful misconduct as defined by the Annual General Meeting of 15 June 2018.
Attendance fees	N/A	Not applicable
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

3.3 DRAFT RESOLUTIONS SUBMITTED TO THE GENERAL MEETING OF 14 JUNE 2019

FOURTEENTH RESOLUTION - Approval of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature to be attributable to the Mr. Régis Arnoux, as Chairman-CEO

After considering the report provided for by article L.225-37-2 of the French commercial code, the shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, approve the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature attributable to the Chairman-CEO on the basis of his office.

FIFTEENTH RESOLUTION - Approval of the fixed, variable and exceptional components of compensation making up the total compensation and benefits of any nature paid or granted to Mr. Régis Arnoux as Chairman-CEO, for the period ended 31 December 2018

The General Meeting, acting in accordance with the provisions of article L.225-100 of the French commercial code, having considered the Board of Directors' management report and in particular the report on corporate governance, approves the fixed, variable and exceptional compensation granted for the period ended 31 December 2018, comprising the total compensation and benefits of any nature granted to Mr. Régis Arnoux as Chairman-CEO.

SIXTEENTH RESOLUTION - Approval of the fixed, variable and exceptional components of compensation making up the total compensation and benefits of any nature paid or granted to Mr. Jeremy De Brabant on the basis of his office as former Deputy-CEO, for the period ended 31 December 2018

The General Meeting, acting in accordance with the provisions of article L.225-100 of the French commercial code, having considered the Board of Directors' management report and in particular the report on corporate governance, approves the fixed, variable and exceptional compensation granted for the period ended 31 December 2018, comprising the total compensation and benefits of any nature attributable to Mr. Jeremy De Brabant, as Deputy CEO.

3.4 CIS SHARES HELD BY CORPORATE OFFICERS

3.4.1 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).

3.4.2 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-declaration for dealings in the Company's shares in 2018, and on the date of this report, reported of the following transactions:

(In number of shares)	Period	Acquisitions	Disposals
Florence Arnoux, Director	02/2018		3,500
Florence Arnoux, Director	06/2018		1,000
La Masia Financière, Deputy CEO	01 & 02/2018	5,338	
La Masia Financière, Deputy CEO	02/2019	8,874	

3.5 STOCK OPTIONS, PERFORMANCE SHARES AND LONG-TERM INCENTIVE PLANS

Excluding the proposed stock awards to Mr. de Brabant as part of a specific plan and for which the Extraordinary General Meetings of 12 June 2017 and 15 June 2018 granted all powers to the Board of Directors, the Company has not put into place a system for awarding stock options or restricted stock units.
It should be noted that this decision to implement a restricted stock unit plan devoid of object as a result of Mr. de Brabanta's departure.

IV. RELATED PARTY TRANSACTIONS

This information is provided in note 19 to the consolidated financial statements for the period ended 31 December 2018.

V. 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	15/06/2018	14/12/2019	€14,071,820 10% of the share capital
Authorisation to grant restricted stock units by repurchasing existing shares or issuing new shares	15/06/2018	14/08/2021	3% maximum of the share capital Subject to meeting the performance criteria to be defined by the Board of Directors This authorisation became devoid of object following the departure of Mr. de Brabant

VI. FACTORS THAT MAY HAVE A POTENTIAL IMPACT IN THE EVENT OF 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 48.5% of the voting rights.

In 2018, Mr. Régis Arnoux tendered 95% of the CIS shares he personally held in FINRA, or a total of 2,489,103 CIS shares. After these shares were tendered, FINRA held 47.0% of the CIS' capital and 46.1% of its voting rights. This project is part of the overall organisation of Mr. Régis Arnoux's succession and plan for the governance of CIS and the family holding company, notably in the event of his death. In this context, Mr. Régis Arnoux wishes to finalise his succession planning to preserve the CIS Group's long-term future and the to the extent possible the majority ownership of the Arnoux family shareholding base. This contribution of the shares to the FINRA holding company (exclusively held by members of his family bound by the terms of a shareholders agreement), already a shareholder of CIS makes it possible to preserve continuity in the shareholder base and control of CIS. FINRA obtained an exemption from the AMF to the obligation of filing a public tender offer for the CIS shares in accordance with article 234-9-7°of the AMF general regulation. The exemption notice dated 6 March 2018 has been published on the AMF website.

- 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 31 may 1998 for an initial term of 15 years and modified by an amendment agreement of 20 July 2015; 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 8,364,517 voting rights, or 68.0% of the capital and 77.3% of the voting rights of this company.

VII. 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.

2018 Financial Report
CIS
Integrated Life Support Services

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.

ARTICLE 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. "

Done in Marseille
16 April 2019

THE BOARD OF DIRECTORS

2018 Financial Report
CIS
Integrated Life Support Services

THE ANNUAL ORDINARY GENERAL MEETING OF 14 JUNE 2019

AGENDA

AGENDA FOR THE ANNUAL ORDINARY GENERAL MEETING

- Board of Directors' and Auditors' reports;
- Approval of the annual financial statements for the year ended 31 December 2018 and grant of discharge to directors
- Approval of the consolidated financial statements for the year ended 31 December 2018
- Appropriation of net profit for the period ending 31 December 2018 and setting the dividend;
- 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.
- Setting the total annual amount for directors' attendance fees;
- Renewal of Régis Arnoux's term of office as Director
- Renewal of Monique Arnoux's term of office as Director
- Renewal of Florence Arnoux's term of office as Director
- Renewal of Frédérique Salamon's term of office as Director
- Renewal of the term of office of director of Financière Régis ARNOUX (FINRA), represented by Ms. Monique Arnoux;
- Renewal of the term of office of Director of Financière Lucinda, represented by Ms. Sophie Le Tanneur de Rancourt;
- Renewal of Frédéric Bedin's term of office as Director
- Renewal of the term of office as director of YLD Conseil, represented by Mr. Yves-Louis Darricarrere;
- Approval of the principles and criteria for setting, allocating and granting fixed, variable and exceptional compensation making up the total compensation and benefits any nature attributable to the Chairman-CEO;
- Approval of the fixed, variable and exceptional components of compensation making up the total compensation and benefits of any nature paid or attributable to Mr. Régis Arnoux as Chairman-CEO, for the period ended 31 December 2018;
- Approval of the fixed, variable and exceptional components of compensation making up the total compensation and benefits of any nature paid or granted to Mr. Jeremy De Brabant, the former Deputy CEO, for the period ended 31 December 2018;
- Renewal of the authorisation given to the Board of Directors to deal in the Company's shares;
- Powers for legal formalities pursuant to the Ordinary General Meeting;

2018 Financial Report
CIS
Integrated Life Support Services

THE ANNUAL ORDINARY GENERAL MEETING OF 14 JUNE 2019

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 General Meeting in accordance with article L.225-115 3° of the French commercial code.

The General Meeting of 14 June 2019 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 31 December 2018, adopted by the Board of Directors;
(II) Setting the dividend, appropriating the earnings, approving the regulated agreements and setting the amount of attendance fees;
(III) Renewing the offices of eight directors whose terms are expiring;
(IV) Approving the criteria for determining, allocating and granting the components of compensation of the President-Chief Executive;
(v) Approving the components of compensation paid or granted to the Chair-CEO and the Deputy CEO for the period ended 31 December 2018;
(vI) Renewing the authorisation given to the Board of Directors to deal in the Company's

ORDINARY RESOLUTIONS

1. APPROVAL OF THE 2018 ANNUAL FINANCIAL STATEMENTS

1st and 2nd resolutions

It is requested that you (i) approve the annual financial statements of the Company and the consolidated financial statements of the CIS Group for fiscal 2018 as well as the non-deductible expenses and (ii) grant discharge to the directors for their management.

- The separate annual financial statements of the Company show a net loss of €659,907.83.
- The consolidated financial statements show a net profit attributable to shareholders of the Group of €4,887,210.

2. APPROPRIATION OF EARNINGS – DETERMINATION OF THE DIVIDEND

3rd resolution

In light of the consolidated net profit of €4,887,210 and the distributions to be made by subsidiaries of the Group of dividends in 2019 from the 2018 accounts, the Board of Directors proposes, in this particular context, to appropriate the net loss of the parent company accounts for the period in the amount of €659,907.83 to «Other Reserves».

The Board of Directors proposes to pay a total dividend of €964,924.80 by appropriating the full amount from the «Other Reserves» account which on 31 December 2018 had a balance of €23,198,959.27.

With 8,041,040 shares entitled to dividends, the total net dividend per share is €0.12.

The payment date for cash dividends is 21 June 2019.

2018 Financial Report CIS Integrated Life Support Services

In accordance with article 243 bis of the French general tax code (Code Général des Impôts or CGI), it is specified that the total dividend amount proposed is eligible for the proportional rebate of 40% for natural persons having their tax residence in France (CGI art. 158-3-2° section 4°).

3. REGULATED AGREEMENTS

4rd resolution

The purpose of this resolution is to submit to your approval the regulated agreements entered into an 2018 as described in the Auditors' special reports.
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.

4. ATTENDANCE FEES

5rd resolution

The purpose of this resolution is to submit to your approval the amount of attendance fees to be granted to directors totalling €220,000.

5. RENEWAL OF THE TERMS OF DIRECTORS THAT ARE EXPIRING

6rd resolution

The office of director of Régis Arnoux expires at the end of the next General Meeting to be held on 14 June 2019.
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 31 December 2021.

7th resolution

The office of director of Monique Arnoux expires at the end of the next General Meeting to be held on 14 June 2019.
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 31 December 2021.

8th resolution

The office of director of Florence Arnoux expires at the end of the next General Meeting to be held on 14 June 2019.
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 31 December 2021.

9th resolution

The office of director of Frédérique Salamon expires at the end of the next General Meeting to be held on 14 June 2019.
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 31 December 2021.

10th resolution

The office of director of Financière Régis Arnoux (FINRA) represented by Monique ARNOUX will expire at the end of the next General Meeting of 14 June 2019.
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 31 December 2021.

11th resolution

The office of the director of Financière Lucinda represented by Sophie Le Tanneur de Rancourt will expire at the end of the next General Meeting of 14 June 2019.
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 31 December 2021.

12th resolution

The office of director of Frédéric Bedin will expire at the end of the next General Meeting to be held on 14 June 2019.
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 31 December 2021.

13th resolution

The office of the director of YLD Conseil represented by Yves-Louis Darricarrere, will expire at the end of the next General Meeting of 14 June 2019.
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 31 December 2021.

6. APPROVAL OF THE CRITERIA FOR DETERMINING, ALLOCATING AND GRANTING THE COMPONENTS OF COMPENSATION OF THE CHAIRMAN-CHIEF EXECUTIVE OFFICER

14rd resolution

Considering the legislative provisions resulting from the Law of 9 December 2016 on transparency, the fight against corruption and modernisation of the economy (the «Sapin II» law) and article L.225-37-2 of the French commercial code, applying to companies whose shares are admitted to trading on a regulated market, the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits in kind attributable to the chairman, chief executive officer or deputy chief executive officers on the basis of their offices, are subject to a resolution submitted to each year to the approval of the General Meeting of the shareholders.

After considering the corresponding report of the Board of Directors, we propose that the compensation policy for the Chairman-Chief Executive Officer for 2019 be renewed in these resolutions approved.

7. APPROVAL OF THE COMPONENTS OF COMPENSATION PAID OR GRANTED TO THE CHAIR-CEO AND THE FORMER DEPUTY CEO FOR THE PERIOD ENDED 31 DECEMBER 2018

15th and 16th resolutions

The French Law of December 9, 2016 on transparency, the fight against corruption and modernisation of the economy (the «Sapin II» law), established a procedure for ex-post Say-on-Pay with respect to the components of fixed, variable and exceptional compensation making up the total compensation and benefits of any nature paid or granted to the Chairman-CEO and the Deputy CEO for the period ended 31 December 2018.

Having considered the corresponding report of the Board of Directors, and in particular the report on corporate governance, we propose that you approve these resolutions.

8. RENEWAL OF THE AUTHORISATION GIVEN TO THE BOARD OF DIRECTORS TO DEAL IN THE COMPANY'S SHARES;

17th resolution

The general meeting held on 15 June 2018, 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 14 December 2019.

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 2018 for the purpose of maintaining an orderly market in its shares.

At 31 December 2018, the Company held 191,245 own shares in treasury compared with 102,603 shares at 31 December 2017.

■

We hope that these proposals will meet with your approval and that you will approve in consequence the resolutions submitted to your vote.

Marseilles, 16 April 2019

THE BOARD OF DIRECTORS

THE ANNUAL ORDINARY GENERAL MEETING OF 14 JUNE 2019

2 – TEXT OF DRAFT RESOLUTIONS

2018 Financial Report
CIS
Integrated Life Support Services

FIRST RESOLUTION - Approval of the separate parent company financial statements for the year ended 31 December 2018

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary shareholders' meetings, having considered the Board of Directors' management report on the annual financial statements for the year ended 31 December 2018, the Board of Directors' report on corporate governance and the Auditors' reports, approve the accounts and the balance sheet for said period as presented, showing a net loss €659,907.83 as well as the transactions reflected in these accounts and summarised in the reports. It also approves the amount of expenses non-deductible from profit subject to corporate income tax, excluding the provisions for contingencies and depreciation, amounting to €20,712 of which €7,915 correspond to expenses referred to article 39.4 of the French general tax code.

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 31 December 2018

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary shareholders' meetings, having considered the Group management report and the Auditors' report, approve the consolidated financial statements for the year ended 31 December 2018 as presented which show a net profit attributable to the equity holders of the parent of €4,887,210, as well as the transactions recorded in these accounts and reports.

THIRD RESOLUTION - Appropriation of earnings for the financial year ended 31 December 2018 and setting the dividend

Appropriation of earnings
The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, decide to allocate the net loss of the period of €659,907.83 as follows:

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, decide to distribute a total dividend of €964,924.80 by appropriating the full amount from the «Other Reserves» account.

Dividend Amount - Payment - Applicable Tax Provisions
With 8,041,040 shares entitled to dividends, the total net dividend per share is €0.12.

The payment date for cash dividends is 21 June 2019.

In accordance with article 243 bis of the French general tax code (Code Général des Impôts or CGI), it is specified that the total dividend amount proposed is eligible for the proportional rebate of 40% for natural persons having their tax residence in France (CGI art. 158-3-2° section 4°).

The shareholders duly note the statutory disclosure by the Board of Directors of dividends distributed for the last three financial periods:

	2015	2016	2017
Number of shares entitled to dividends	8,041,040	8,041,040	8,041,040
Net dividend per share	€0.12	€0.06	€0.11
Closing share price at year-end	€16.00	€16.90	€16.99

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 the agreements mentioned therein.

FIFTH RESOLUTION - Setting the amount of directors' attendance fees

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, decide to allocate €220,000 for 2018 in attendance fees for members of the Board of Directors;

SIXTH RESOLUTION - Renewal of Régis Arnoux's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to Ordinary General Meetings, having considered the Board of Directors' report, duly noting that Régis Arnoux's term of office as director expires at the end of this General Meeting, decide to renew his 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 31 December 2021.

Régis Arnoux whose term of office is renewed, accepts the renewal of his duties and declares that no restrictions or incompatibility exists that might prevent him from holding this office.

SEVENTH RESOLUTION - Renewal of Monique Arnoux's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that Ms. Monique Arnoux's term of office as director expires at the end of this General Meeting, decide to renew her 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 31 December 2021.

Monique Arnoux whose term of office is renewed, accepts the renewal of her duties and declares that no restrictions or incompatibility exists that might prevent her from holding this office.

EIGHTH RESOLUTION - Renewal of Florence Arnoux's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that Ms. Florence Arnoux's term of office as director expires at the end of this General Meeting, decide to renew her 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 31 December 2021.

Florence Arnoux whose term of office is renewed, accepts the renewal of her duties and declares that no restrictions or incompatibility exists that might prevent her from holding this office.

NINETH RESOLUTION - Renewal of Frédérique Salamon's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that Ms. Frédérique Salamon's term of office as director expires at the end of this General Meeting, decide to renew her 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 31 December 2021.

Frédérique Salamon whose term of office is renewed, accepts the renewal of her duties and declares that no restrictions or incompatibility exists that might prevent her from holding this office.

TENTH RESOLUTION - Renewal of the term of office of director of Financière Régis ARNOUX (FINRA)

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that the term of office as director of Financière Régis Arnoux (FINRA), having its registered office at 25, avenue de la Planche - 13008 Marseille, represented by Monique Arnoux, expires at the end of this General Meeting, decide to renew its 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 ending 31 December 2021.

Financière Régis Arnoux, represented by Monique Arnoux whose term of office is renewed, accepts the renewal of its duties and declares that no restrictions or incompatibility exists that might prevent it from holding this office.

ELEVENTH RESOLUTION - Renewal of Financière Lucinda's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that the term of office as director of Financière Lucinda, having its registered office at 70, rue de la Tour - 75116 Paris, represented by Sophie Le Tanneur de Rancourt, expires at the end of this General Meeting, decide to renew its 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 ending 31 December 2021.

Financière Lucinda, represented by Sophie Le Tanneur de Rancourt whose term of office is renewed, accepts the renewal of its duties and declares that no restrictions or incompatibility exists that might prevent it from holding this office.

TWELFTH RESOLUTION - Renewal of Frédéric Bedin's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that Mr. Frédéric Bedin's term of office as director expires at the end of this General Meeting, decide to renew her 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 31 December 2021.

Frédéric Bedin whose term of office is renewed, accepts the renewal of his duties and declares that no restrictions or incompatibility exists that might prevent him from holding this office.

THIRTEENTH RESOLUTION - Renewal of YLD Conseil's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report, duly noting that the term of office as director of YLD Conseil, having its registered office at 20, avenue de Bellevue - 78150 Le Chesnay, represented by Yves-Louis Darricarrere, expires at the end of this General Meeting, decide to renew its 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 ending 31 December 2021.

YLD Conseil, represented by Yves-Louis Darricarrere whose term of office is renewed, accepts the renewal of its duties and declares that no restrictions or incompatibility exists that might prevent it from holding this office.

FOURTEENTH RESOLUTION - Approval of the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature to be attributable to the Mr. Régis Arnoux, as Chairman-CEO

After considering the report provided for by article L.225-37-2 of the French commercial code, the shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, approve the principles and criteria for setting, allocating and granting fixed, variable and special compensation making up the total compensation and benefits of any nature attributable to the Chairman-CEO on the basis of his office.

FIFTEENTH RESOLUTION - Approval of the fixed, variable and exceptional components of compensation making up the total compensation and benefits of any nature paid or granted to Mr. Régis Arnoux as Chairman-CEO, for the period ended 31 December 2018

The General Meeting, acting in accordance with the provisions of article L.225-100 of the French commercial code, having considered the Board of Directors' management report and in particular the report on corporate governance, approves the fixed, variable and exceptional compensation granted for the period ended 31 December 2018, comprising the total compensation and benefits of any nature granted to Mr. Régis Arnoux as Chairman-CEO.

SIXTEENTH RESOLUTION - Approval of the fixed, variable and exceptional components of compensation making up the total compensation and benefits of any nature paid or granted to Mr. Jeremy De Brabant on the basis of his office as former Chief Executive Officer, for the period ended 31 December 2018

The General Meeting, acting in accordance with the provisions of article L.225-100 of the French commercial code, having considered the Board of Directors' management report and in particular the report on corporate governance, approves the fixed, variable and exceptional compensation granted for the period ended 31 December 2018, comprising the total compensation and benefits of any nature attributable to Mr. Jeremy De Brabant, as Deputy CEO.

SEVENTEENTH RESOLUTION - Renewal of the authorisation given to the Board of Directors to deal in the Company's shares

The shareholders, in accordance with the conditions of quorum and majority that apply at ordinary general meetings, having considered 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 22 December 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..

EIGHTEENTH 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 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.

STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Catering International & Services for the year ended 31 December 2018

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 then 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 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 this report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2018 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.

Justification of assessments - Key audit matters

In accordance with the requirements of articles L. 823-9 and R. 823-7 of the French commercial code ("code de commerce") relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as our responses to those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific elements, accounts or items of the consolidated financial statements

Evaluation of Algeria goodwill

Identified risk	In connection with its development, the Group made a target acquisition in Algeria resulting in the recognition of goodwill. In this case, the 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, was allocated to the «Algeria» Cash Generating Unit (CGU). 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 €6.6 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; Concerning the «Algeria» CGU, 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 the «Algeria» CGU goodwill is largely based on management judgments, consisting notably of budget data, the rate of growth used to estimated future cash flows and the corresponding discount rate applied. For that reason we considered the valuation of the «Algeria» CGU 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 «Algeria» CGU 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 «Algeria» 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 verification concerning the Group presented in the management report

We also carried out the specific verifications, as required by law, of information relating to the Group provided in the management report of the Board of Directors, in accordance with professional standards applicable in France.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

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 6 June 2016.

As at 31 December 2018, Audit Conseil Expertise was in its third period and SYREC in its thirteenth period of uninterrupted 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 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 consolidated financial statements were prepared by the Board of Directors.

Statutory auditors' responsibilities for the audit of the consolidated financial statements

■ Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our 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 your company.

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;

2018 Financial Report CIS Integrated Life Support Services

- 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 committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention, 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 committee includes information about the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters. We describe these matters in the audit report.

We also provide the audit committee with the declaration referred to in Article 6 of Regulation (EU) N° 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 committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Marseilles, 23 April 2019

The Statutory Auditors

French original signed by:

Cabinet 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 31 DECEMBER 2018

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 entrusted to us by your Annual General Meeting, we have audited the accompanying annual financial statements of Catering International & Services for the year ended 31 December 2018.

In our opinion, the annual financial statements give a true and fair view of the financial position and the assets and liabilities of the company as of 31 December 2013 and the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

The audit opinion expressed above is consistent with our report to the audit committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the 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, 2018 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 1 «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 €28,050,000 million.

2018 Financial Report CIS Integrated Life Support Services

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, 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

Equity interests, representing a net amount of €10,328,000 at 31 December 2018, 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.

Responses as part of our audit

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.

Verification of the management report and of the other documents addressed to shareholders

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.

We attest to 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 information provided in accordance with the provisions of Article L. 225-37-3 of the French commercial code on compensation and benefits paid to corporate officers as well as commitments incurred in their favour, we have verified their consistency with the accounts or the data used to produce these accounts and, when necessary, with information obtained by your company both from companies exercising control over your company or controlled by it. On the basis of this work, we certify that these disclosures are accurate and fairly stated.

Other disclosures

Pursuant to the law, we have verified that the management report contains the appropriate disclosures about the identity of holders of capital or voting rights.

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 6 June 2016.

As at 31 December 2018, Audit Conseil Expertise was in its third period and SYREC in its thirteenth period of uninterrupted 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 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 consolidated financial statements were prepared by the Board of Directors.

Statutory auditors' responsibilities for the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our 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 your company.

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 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 committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as significant audit findings. We also bring to its attention, 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 committee includes 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, constituting in consequence key audit matters to be described in this report.

We also provide the audit committee with the declaration referred to in Article 6 of Regulation (EU) N° 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 committee the risks that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

Marseilles, 23 April 2019

The Statutory Auditors

French original signed by:

Cabinet SYREC	**Audit Conseil Expertise, SAS** Member of PKF International
Luc-René CHAMOULEAU	Guy CASTINEL

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 to you on regulated agreements and commitments with related parties.

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, characteristics, the main terms and conditions and the reasons justifying their interest for the company of those agreements and commitments 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 merits of these agreements and commitments 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 and commitments 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 and commitments submitted for approval to the shareholders' meeting

Agreements and commitments approved and entered into the period ended

Pursuant to article L. 225-40 of the French commercial code, we have been informed of the following agreements and commitments entered into in the period ended subject to prior authorisation by your Board of Directors.

1/ 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 10 April 2018, your company concluded a commercial lease for office space 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 1 May 2018 for annual rent of €45,360 excluding taxes. For fiscal 2018, under the terms of this agreement, expenses of €32,920 were recognised for rental payments excluding charges.

- Reasons justifying interest for the company

Maintaining the existing lease, with SAS FINRA substituted for SCPI PLACEMENT PIERRE from whom it purchased property covered by the lease, and the conclusion of a new lease offering more favourable market conditions, thus enabling the company to maintain the premises of its registered office.

2/ 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 10 April 2018, your company concluded a commercial lease for office space 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 1 May 2018 for annual rent of €87,120 excluding taxes. For fiscal 2018, under the terms of this agreement, expenses of €69,790 were recognised for rental payments excluding charges.

- Reasons justifying interest for the company

Maintaining the existing lease, with SAS FINRA substituted for SCPI PLACEMENT PIERRE from whom it purchased property covered by the lease, and the conclusion of a new lease offering more favourable market conditions, thus enabling the company to maintain the premises of its registered office.

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 10 April 2018, your company concluded a commercial lease for office space 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 1 May 2018 for annual rent of €99,360 excluding taxes. This lease replaces a previous lease which entered into effect on 18 July 2016 For fiscal 2018, under the terms of this agreement, expenses of €66,240 were recognised for rental payments excluding charges.

- Reasons justifying interest for the company

Maintaining the existing lease, with the conclusion of a new lease offering at more favourable market conditions, thus enabling the company to maintain the premises of its registered office.

Agreements and commitments authorised and entered into after year-end

We have been informed of the following agreements and commitments, authorised and entered into after the end of the fiscal year and previously approved by your Board of Directors.

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 16 April 2019, your company concluded an agreement for the purposes of coordination and assistance with SAS FINRA, which entered into effect on 1 January 2019. This agreement was concluded for a 12 month period running from 1 January to 31 December 2019, subject to tacit renewal for successive 12 month periods. 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

2018 Financial Report CIS Integrated Life Support Services

to the cost of services, excluding revenues and rental costs, increased by a margin of 10%.
This agreement had no financial impact on the financial statements for fiscal 2018.

■ Reasons justifying interest for the company

To strengthen a coherent global policy of CIS Group, develop an operational strategy and recruit a Deputy Chief Executive Officer.

Agreements and commitments previously approved by the general meeting

Agreements and commitments approved in prior periods

a) remaining in effect in the period ended

Pursuant to article 225-30 of the French commercial code, we have been informed that the following agreements and commitments, previously approved by shareholders' meetings of prior years, remained in force during the year.

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 16 September 2015, CIS concluded an office this lease agreement with SCI Borely. For fiscal 2018, under the terms of this agreement, expenses of €32,240 were recognised for rental payments excluding charges.

2/ 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 your Board of Directors of 26 May 2016, CIS concluded an office this lease agreement with SAS Finra. For fiscal 2018, under the terms of this agreement, expenses of €24,173 were recognised for rental payments excluding charges.
This agreement expired on 30 April 2018, and a new lease was concluded entering into effect on 1 May 2018.

3/ Service agreement between CIS and Frédérique Salamon

■ Related party

Frédérique Salamon, member of the Board of Directors of CIS.

■ Descriptions

Pursuant to the authorisation of the Board of Directors of 28 March 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 2018, under the terms of this agreement, expenses of €39,000 excluding tax were recognised for fees.

4/ Undertakings on behalf of the Deputy CEO.

■ Related party

Mr. Jérémy de Brabant, Deputy CEO of CIS.

■ Description

On 26 May 2016, your Board of Directors appointed Mr. Jérémy de Brabant as the Deputy Chief Executive Officer of CIS and made on his behalf the following undertaking:

Mr. Jérémy de Brabant will receive a severance payment in the event of the termination of his functions as Deputy Chief Executive Officer (removal or non-renewal) at the Company's initiative equal to three (3) months of notice plus a lump sum severance payment of nine (9) months of gross compensation (fixed and variable, calculated on the basis of compensation for the last twelve months).

In addition, this Board of Directors duly noted the conclusion with Mr. Jérémy de Brabant of an employment contract as Chief International Business Development Officer and on that basis undertook vis-à-vis the latter the following: Mr. Jérémy de Brabant will receive a severance payment in the event of his termination at the Company's initiative excluding reasons of gross negligence («faute grave») or wilful misconduct («faute lourde») equal to three (3) months of notice plus a lump sum severance payment of nine (9) months of gross compensation (fixed and variable, calculated on the basis of compensation for the last twelve months), including the legal severance payment that will be payable and which will not be grouped together.

This agreement ended on 30 November 2018 following Jérémy de Brabant's departure from the company. The gross severance benefit paid with respect to the office of Deputy Chief Executive Officer amounted to €167,183.

b) not performed in the period ended

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 4 July 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 2018, under the terms of this agreement, no expense was recorded.

Marseilles, 23 April 2019

The Statutory Auditors

French original signed by:

Cabinet SYREC	**Audit Conseil Expertise, SAS** Member of PKF International
Luc-René CHAMOULEAU	Guy CASTINEL

2018 Financial Report CIS Integrated Life Support Services

INDEPENDENT THIRD-PARTY ASSURANCE STATEMENT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT INCLUDED IN THE MANAGEMENT REPORT

FINANCIAL YEAR ENDED 31 DECEMBER 2018

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 31 December 2018 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 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. 225105 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.

[1] Information on the scope certification is available at www.cofrac.fr

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.

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 appropriateness of the Guidelines regarding their relevance, exhaustiveness, reliability, neutrality and comprehensibility, taking into account, where applicable, best practices in the sector;
- we verified that the Statement covers each category of information provided for in section III of Article L. 225-102-1 on social and environmental matters;
- 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 verified, whenever relevant to the main risks or policies presented, that the Statement presents the information provided for in section II of Article R. 225-105;
- we assessed the processes used for identifying, ranking and validating the main risks;
- we enquired as to the existence of procedures for internal control and risk management implemented;
- we verified that the Statement includes a clear and reasoned explanation of the reasons justifying the absence of policy with regard to one or more of these risks;
- we verified that the Statement covers the consolidated scope, i.e. all the companies included in the scope of consolidation in compliance with article L. 233-16 of the French commercial code, with the limits specified in the Statement;
- we assessed the collection process implemented by the Company aimed at ensuring completeness and fair presentation of the Information;
- for the key performance indicators and the other quantitative results that we considered to be the most significant[2], we implemented:
  - 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[3] and covers between 24% and 100 % of the consolidated data of the key performance indicators and results selected for these tests;
- we consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered most significant[4] ;
- We assessed the overall consistency of the Statement in relation to our knowledge of the company.

[2] **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 CO2 emissions (of which for transportation and energy).
[3] France
[4] **Qualitative information** relating to the following sections: «Nutrition and balanced diet», «Regional impact of CIS Group activities in operating countries».

2018 Financial Report CIS Integrated Life Support Services

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 2019.

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.

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, 16 April 2019

The Independent Third Party

Grant Thornton
French member firm of Grant Thornton International

French original signed by:

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Lionel HATET
Partner

RESPONSIBILITY STATEMENT

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

Notes

CIS

Integrated Life Support Services

OUR REFERENCES

ACC - AFRICAN SKIES - AKUO ENERGY - ALFANAR CONSTRUCTION - ALSTOM - ANADARKO - ANDRADE GUTIERREZ - ARABIAN GULF CONSTRUCTION - ARCHIRODON - AVA ALGÉRIE - AVZ MINERALS - B2GOLD - BARRICK GOLD - BECHTEL - BHP BILLITON - BOUYGUES - CAMECO - CDN - CEGELEC - CHACO - CHEVRON - CIMENTOS DE MOÇAMBIQUE - CLN - CNPC - DALMA ENERGY - EEPCI - ENAFOR - ENGIE - ENI - ENSP ENTP - EQUINOR - ERAMET - EXXONMOBIL - FLUOR - GABRIEL COUTO - GLENCORE - HALLIBURTON - HATCH - HUMMINGBIRD RESOURCES - HYUNDAI - JGC - KATCO - KAZ MINERALS - KAZATOMPROM - KBR - KINROSS - LAFARGE - L'ARMEE DE TERRE / MINISTÈRE DE LA DÉFENSE - LUKOIL - MAIRE TECNIMONT - MCDERMOTT - MMG - NCOC - NIPIGAS - NOVATEK - ONESUBSEA - ORANO - OREZONE - OYU TOLGOI - PAVLIK GOLD - PERENCO - PETROBRAS - PETROCHAD - PETROFOR - PETROKAZAKHSTAN - PHILIP MORRIS - POLYMETAL - POLYUS GOLD - QDVC - RESOLUTE MINING - RIO TINTO - RUASHI MINING - SAIPEM - SAMSUNG ENGINEERING - SANOFI - SBM - SCHLUMBERGER - SEMAFO - SHELL - SMB - SNC LAVALIN - SONATRACH - TARGET - TASIAST - TECNICAS REUNIDAS - TECHNIPFMC - TOTAI CITRUS - TOTAL - UNITED HYDROCARBON - VALE - VAN OORD - VINCI - WEATHERFORD - YAMAL LNG - YLB

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