

CIS

Integrated Life Support Services

ANNUAL REPORT 2020



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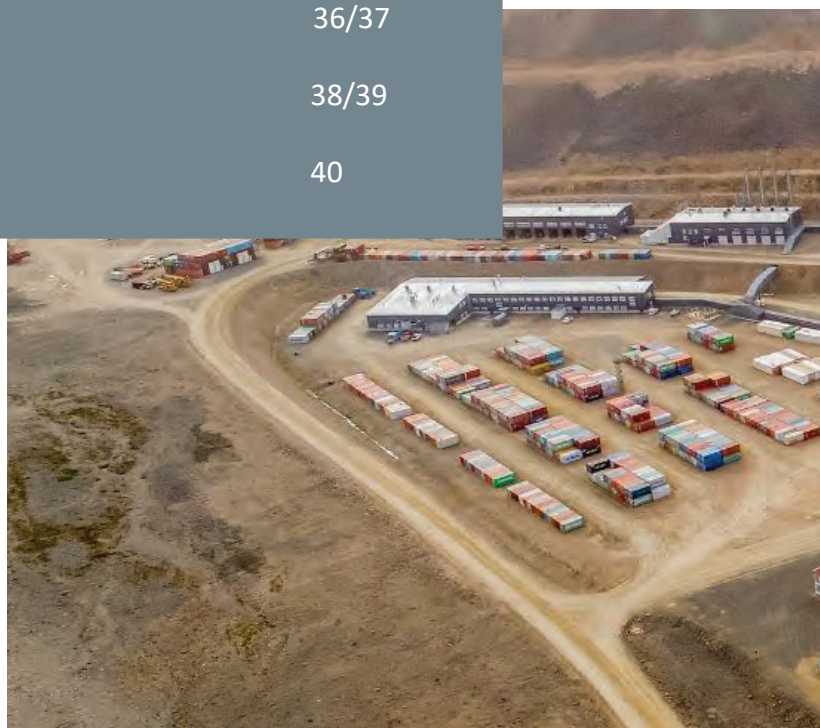
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AN INTEGRATED SERVICE PROVIDER FOR REMOTE SITE MANAGEMENT

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

Building on its core business as a provider of catering and facilities management services, CIS developed smart4you, a complete range of innovative solutions designed to increase the comfort and safety of residents and contribute to its customers' performance through the day-to-day management of their sites.

CIS's commitment to sustainable development is reflected by policies and actions designed to promote the economic, social and environmental progress for the local populations and countries where it operates.

12,900

employees worldwide

56

nationalities

20

countries of operation

94 %

customer satisfaction rate in 2020

230

operating sites

25 %

CAGR* since the Group's creation in 1992

* Compound annual growth rate

+ 80

CSR initiatives in progress in 2020

54,000

hours of training in 2020



CHAIRMAN'S STATEMENT



2020 was impacted by an unprecedented global health crisis that brought the world through a virtual standstill.

While ensuring safety has always been a top priority of CIS Group, this year it acquired even greater importance.

Very quickly, we were required to draw upon resources of our entire organisation, from the Board of Directors to the employees of our operating sites. This enabled us to rapidly adopt the necessary measures to maintain our activities and ensure the safety of our employees and customers in the face of the sudden global emergence of Covid-19.

I am particularly proud of and grateful for the efforts, courage, perseverance, expertise and devotion demonstrated by our teams throughout the world during this unprecedented pandemic. They continued to ensure their day-to-day duties without interruption or difficulties while health security was reinforced.

This allowed the Group to meet its target for revenue of €287.8 million at constant currency or growth of 8.3%.

The medium and long-term outlook continues to be very positive in all sectors, whether gas and oil, mining or construction and civil engineering. Indeed, during this crisis operations have continued with virtually no interruptions at every phase of production. In addition, the mining sector continues to be very robust and many developments in the pipeline will provide significant opportunities for growth.

“

I am particularly proud of and grateful for the efforts, courage, perseverance, expertise and devotion demonstrated by our teams throughout the world during this unprecedented pandemic. They continued to ensure their day-to-day duties without interruption or difficulties while health security was reinforced.

”



France

Despite this unprecedented context, my objective for the Group and our strategy remain clear:

1. Continue to roll out innovative services

Certain services originating from new technologies are becoming essential.

2. Increase our development

By developing strategic alliances with local players, by leveraging our historic geographical reach to strengthen our market positions and by continuing to expand into new countries and regions, wherever there exist positive growth drivers for the Group.

3. Seize upon all external growth opportunities

Both within the market for remote site management where the Group's position as an important global player is increasing, to acquire new customers and/or to expand into new territories.

But also, with all companies possessing innovative technologies capable of offering high added value to our international customers.

To meet these challenges, CIS offers important value-added differentiation:

- **A long-standing track record:** building on its core business as a provider of catering and accommodation services in extreme environments, CIS has gradually diversified its offering by developing Facility Management services as well as high-performance cleaning and disinfection services.

- **Expanded geographical coverage :** CIS operates in 20 countries across five continents and is currently looking to expand into North America.

- **Partnerships contributing to local social economic development:** the principles and values of security, integrity, ethics and social and environmental responsibility are integrated in the Group's processes.

“

In 2020, CIS developed a unique Group offering of innovative solutions under the smart4you brand built around the 4 pillars of security, well-being, performance and processes.

”

- **A continuous focus on developing innovative solutions:** we must constantly innovate and reinvent ourselves. This requires creativity, agility and the capacity to fully integrate the new applications for digital technologies in addressing the needs of our customers.

In 2020, CIS developed a unique Group offering of innovative solutions under the **smart4you** brand built around the 4 pillars of security, well-being, performance and processes.

This global health crisis confirmed the Group's resilience and the relevance of our business model. In 2020, our business grew, our operating profitability improved and we were successful in signing new contracts.

Finally, the Group today benefits from strong corporate governance in which I have full confidence, an enduring family shareholder base and operational teams of the highest quality, combining courage, expertise, devotion and a deep-rooted commitment to the Group's values. I wish to extend a very special thanks to them in particular as well as all our shareholders, for their confidence and support.

Régis Arnoux
Founder & Chairman-Chief Executive Officer

GOVERNANCE

BOARD OF DIRECTORS

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

Board members contribute to the strategic planning process and provide valuable support to the Executive Management.



MANAGEMENT COMMITTEE

Responsible for managing the group's business operations, it implements the strategies defined by the Board of Directors.



2019 Photo



"Capitalising on the Group's culture and DNA while ramping up innovation spearheaded by the efforts of highly motivated and quality teams."

Yannick Morillon
Managing Director

- 1 **Régis Arnoux**
Chairman and Founder of CIS
- 2 **Monique Arnoux**
Vice-Chairwoman of the CIS Foundation
- 3 **Florence Arnoux**
CIS Key Accounts Manager
- 4 **Frédérique Salamon**
Advisor to the Chairman
- 5 **Sophie Le Tanneur**
Financière Lucinda
- 6 **Frédéric Bedin**
Chairman of the Executive Board of Hopscotch
- 7 **Gonzague de Blignières**
Chairman of Raise Conseil (SAS)
- 8 **Henri de Bodinat**
Cantos Ltd investment fund
- 9 **Yves-Louis Darricarrere**
YLD Conseil
- 10 **Admiral Pierre-François Forissier**
Marine Firminy

- 1 **Régis Arnoux**
Chairman and CEO
- A **Yannick Morillon**
Managing Director
- 3 **Florence Arnoux**
Key Accounts Manager
- 4 **Frédérique Salamon**
Advisor to the Chairman
- B **Julien Salas**
Deputy Managing Director
- C **Franck Briesach**
Chief Financial Officer
- D **Stéphane Caille**
Vice President, Human Resources
- E **Natacha Cartagena**
Vice President, Communications



EXECUTIVE COMMITTEE

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

OPERATIONAL COMMITTEE

Comprised of the Executive Management and Area Managers representing our 20 operating countries.

INNOVATION COMMITTEE

Innovation represents a key strength in CIS' strategy. Comprised of the QHSE, CSR, Marketing and Communications, Performance and Operations departments, this committee is tasked with spearheading the Group's transformation by developing innovative solutions for our customers (health, well-being, etc.) and providing the management of our subsidiaries with intelligent tools specifically adapted to our activities designed to significantly improve operating management and performances.

"The purpose of these committees is to accelerate the Group's growth and performance by deploying the combined expertise and know-how of the headquarters and its subsidiaries."

Julien Salas
Deputy Managing Director



OUR FUNDAMENTALS

OUR GOAL

Become a one-stop provider for all services our customers require.

OUR VALUES

CIS teams
sharing strong values :

- Passion
- Integrity
- Boldness
- Respect
- Excellence
- Responsibility

OUR MISSIONS

- Improving the well-being of our residents,
- Guaranteeing the safety of our teams,
- Offering reliable, innovative and competitive solutions complying with international standards for quality and safety.

OUR CSR COMMITMENTS

- Limiting the impact of our activities on the environment,
- Contributing to the social-economic development in our operating countries.

OUR ETHICAL PRINCIPLES

Our ethical principles are incarnated and respected by our 12,900 employees throughout the world every day, representing the Group with professionalism on its 230 operating sites.

TRANSPARENCY:

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

INTEGRITY:

The Group has implemented an anti-corruption programme defining a common set of rules to be applied by each person within CIS and adhered to the "Middlenext anti-corruption code" in 2017.

RESPONSIBILITY:

Each employee reviews this Middlenext anti-corruption code, the Ethics Charter and all processes that support them and with which they must comply in all circumstances.

RESPECT:

The Group's businesses and principles are built on a respect of people that CIS is committed to applying at all levels.

"CIS pays particular attention to ensuring that its ethical principles are respected by all its stakeholders, employees, customers, suppliers and partners."

Filipe Ferrao

Group QHSE and Sustainable Development Manager



2020 : A YEAR IMPACTED BY THE COVID-19 GLOBAL HEALTH CRISIS

In response to the global health crisis precipitated by the spread of Covid-19, the Group immediately took measures to protect its teams and those of its customers and the surrounding communities, while ensuring the continuity of its services in strict compliance with health safety rules.

REINFORCING ON-SITE HYGIENE MEASURES

Hand sanitizer dispensers, mandatory wearing of gloves and masks during meal services, compliance with social distancing rules, in particular for meal lines... and training teams in good practices for hygiene, cleaning and disinfection.



Mauritania

ADAPTING MEAL SERVICES

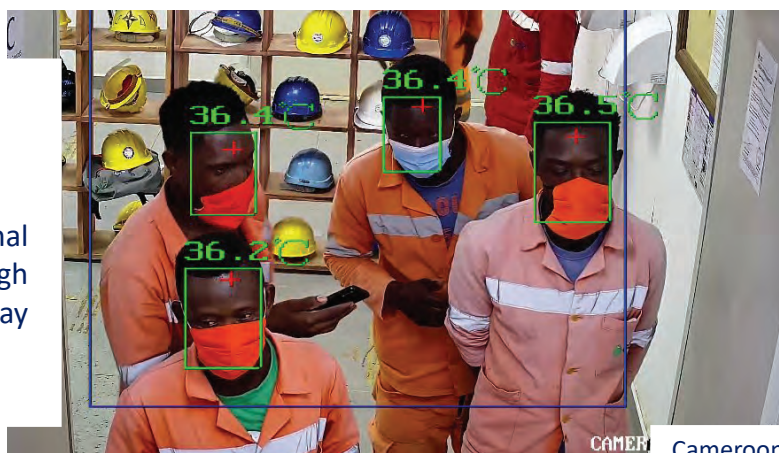
Packed meals, confinement kits, adapting meal services and dining rooms, strengthening kitchen hygiene measures ... while respecting the local eating habits and customs of the residents.



DRC

PROPOSING ADDITIONAL CLEANING AND DISINFECTION SERVICES

Emergency confinement areas, thermal cameras to automatically detect high body temperatures; automated dry spray disinfection solutions.



Cameroon

This crisis also demonstrated our strengths: the relevance of our service offering, the resilience of our business model and the unwavering commitment of our staff, a solid financial model and a balanced geographical business mix.

This period also accelerated the development of our range of services and digital transformation.

SUPPORTING THE HEALTHCARE SECTOR

Donations of masks and personal protective equipment to several hospitals and meals to healthcare workers.

RAMPING UP SOCIAL-ECONOMIC INITIATIVES IN FAVOR OF LOCAL POPULATIONS

CIS offered hygiene and cleaning products and personal protective equipment to neighbouring populations in its operating countries and created new partnerships to assist those most in need: in Burkina Faso, Mozambique and the Democratic Republic of Congo, CIS financed the production of masks from local suppliers. In other subsidiaries, CIS provided disinfectants and soap to children to help them apply proper social distancing and bodily hygiene practices.

“

In this country so severely impacted, through our close relations with our customers, logistical expertise and the renegotiation of the cost impacts in our contracts, we were able to continue to grow during this period of crisis.

”

Saman Hamidi

Manager of the CIS subsidiary in Kazakhstan



SUBSIDIARIES RECOGNISED DURING THIS PERIOD

All Group subsidiaries were required to make drastic changes and were successful in implementing the appropriate measures.

CIEPTAL, Algeria

Rewarded by its customer GEAT, the Algerian subsidiary of General Electric for its responsiveness during a period of crisis.



SSM, Mongolia

Rewarded by its customer, the Anglo Australian mining group, Rio Tinto, for its uninterrupted and hard work during this period. SSM was also recognised as the best supplier of the year.

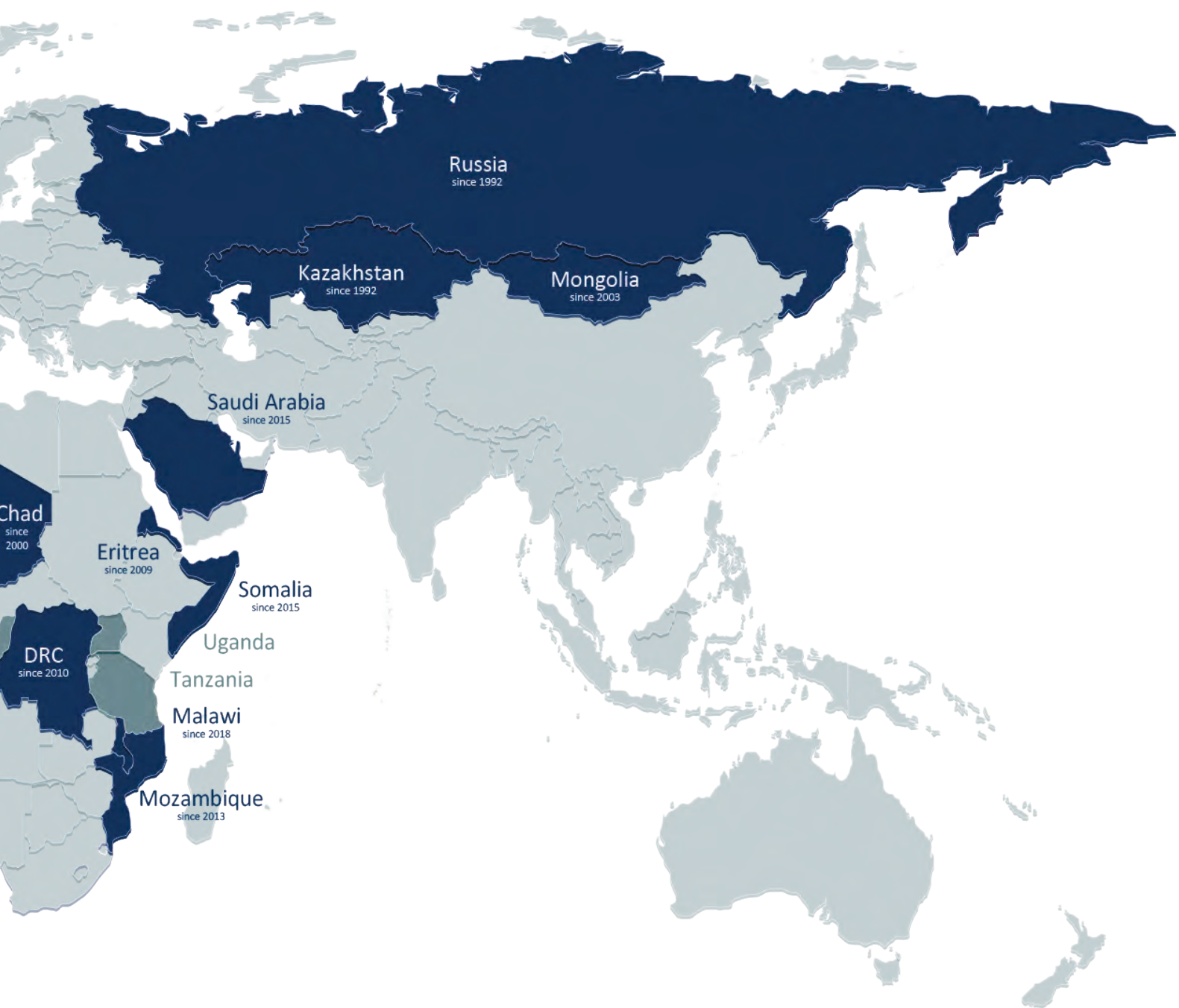


CIS in Mozambique

Awarded by a Maputo hotel association for preserving all jobs and preserving social stability.







CIS WORLDWIDE

"In an increasingly dynamic market for remote site management, CIS has confirmed its position as a top-tier international provider of services with a strong presence in all continents. "

ROBUST GROWTH MOMENTUM IN ALL REGIONS

CIS renewed 92% of its contracts in 2020, including a certain number through international calls for tender.

52 %
of revenue in 2020

AFRICA

A good performance in the region driven by the development of the Group business in **Algeria** and the **Democratic Republic of Congo** as well as by new operating countries: **Cameroon, Gabon, Senegal**. In the **Democratic Republic of Congo**, CIS teams renewed all contracts with their mining and oil and gas customers. The subsidiaries in West Africa, where CIS has been operating for more than 15 years, such as in **Chad** with ExxonMobil, maintained their operations with their mining company customers without interruption as well as in **Niger, Mali, Burkina Faso** and in **Mauritania**. Quality remains a top Group priority. Reflecting this, in 2020 CIS' subsidiary in **Mozambique** obtained ISO 9001 certification.



Philippe Pichon
West Africa
Area Manager

"The operational quality and our capacity for innovation are a source of added value for our customers. "

"We created a CSR committee to evaluate the needs of local populations with the goal of providing lasting support."



Gérard Molliex
East and Central Africa
Area Manager

4 %
of revenue in 2020

Axel Petit Dufrenoy
Middle East Area Manager



"Eritrea is the Group's showcase for the quality of its facility and utility management services. "



Eritrea

MIDDLE EAST

In 2020, the Group consolidated its positions in this region where CIS was again selected in **Eritrea** to provide all facility management services for a remote site located on the Dahlak island.

EURASIA

This was the most dynamic region for the Group in 2020, notably in response to the development of the mining sector. In **Russia** and **Kazakhstan** all contracts were renewed and new contracts were awarded in the gold-mining sector. CIS is thus ideally positioned to profit from the considerable potential of the mining sector with major local and international players based on the constantly improving quality of its service, reinforced initiatives in favour of local populations and innovations within a difficult environment.

Success confirmed in **Mongolia**, where CIS has been operating for the last 18 years on one of the world's largest open pit and underground mine for copper and gold in the world. The Group's subsidiary was ranked in the top hundred companies of the country.

"By leveraging our strong historical geographic position, we have been able to take advantage of opportunities for developing in this region."



Laurent Martin
Eurasia Business Developer



Russia

30 %
of revenue in 2020

14 %
of revenue in 2020

Gregory Jacques-
Aumergie
Area Manager
for Latine America



"In addition to its considerable potential in terms of oil and gas, Brazil has significant resources for developing innovative technologies in the offshore oil industry sector."

LATIN AMERICA

In **Brazil**, CIS has been the leading provider of offshore catering services for more than 20 years for the state-run oil company and has also developed business with private oil companies. Its success is based on the Group's commitment to providing the highest level of quality and safety for the oil platform crews of its customers. As part of the Group's QHSE policy, CIS in **Bolivia** was the first subsidiary of the Group to obtain ISO 45001 occupational health and safety certification. In the 2020 second quarter, CIS Bolivia accelerated its development by winning two new contracts in the mining and oil sectors.



Brazil





INTEGRATED INNOVATIVE SERVICES TO INCREASE THE OPERATING EFFICIENCIES OF OUR CUSTOMERS

*“Built around its core business of catering, accommodations and facilities management services, CIS has developed **smart4you**, a complete range of innovative solutions for our customers and residents”.*“

CATERING

Sébastien Lacam
Catering Manager
for the Tasiast site
in Mauritania



For nearly 30 years, delivering food services has been CIS' core business. Both onshore and offshore, the Group provides food services on sites often in remote locations by ensuring an uninterrupted supply chain and logistics through innovative solutions, in strict compliance with international safety and quality standards.

PROMOTING A HEALTHY AND SUSTAINABLE DIET



health4you

CIS provides nutritional programs based on healthy, balanced and enjoyable meals developed by our chief cooks from fresh locally grown products.

To help diners in choosing their meals, a colour code system has been adopted providing information on nutritional quality and food ingredients.

QUALITY CONTROL AND MONITORING THE ENTIRE PROCESS FROM PREPARING FOODS TO SERVING THE MEALS

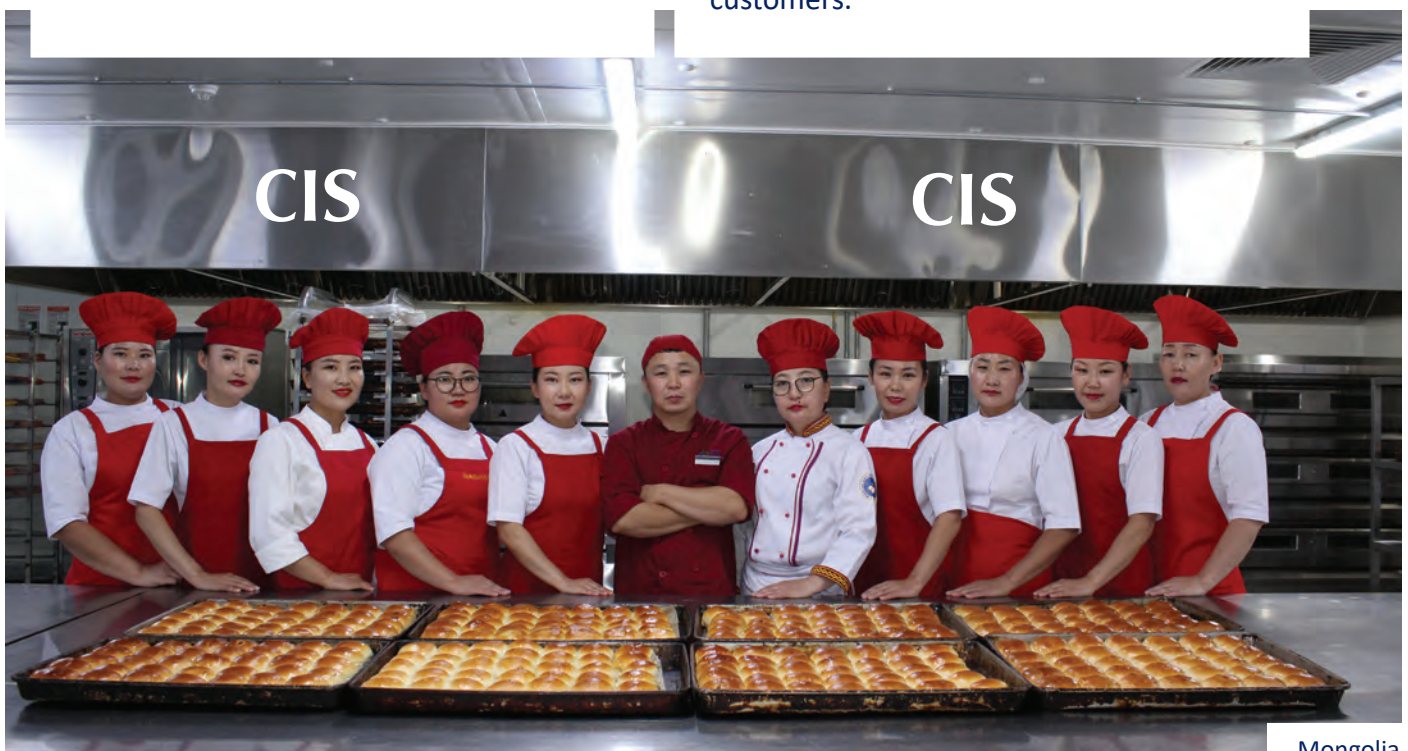


smartpass
meal tracking



temperature tracking

CIS' objective is to optimise the entire food service process from sourcing up to inventory management. To this purpose, the Group has implemented solutions to ensure personalised and secure access to dining areas, tracking meals and temperatures with personalised tracking records for our customers.



Mongolia

“Quality, variety and regularly changing menus are the keys to satisfying the 3,000 residents of the remote site.”

”



Bolivia

USING TECHNOLOGY TO ACCELERATE PERFORMANCE



menu engineering

CIS has implemented a fully automated solution to improve performance by managing recipes and menus. The objective is to standardise recipes to reduce production time, ensure consistent quality in preparing meals, reduce costs and optimise purchasing.



Chad

TAKING CARE OF THE PLANET



food waste monitoring

CIS is committed to limiting its impact on the environment by adopting measures such as reducing food waste. To this purpose, the Group has installed connected scales on sites in order to limit food waste.



Kazakhstan

ACCOMMODATION

Purevsuren Dorjderem
Housekeeping Manager
for the Oyu Tolgoi site
in Mongolia



CIS provides a full range of accommodation services from the administration of living compounds to the management of laundry and concierge services. In response to the Covid-19 pandemic, CIS reinforced access controls for its sites to limit the risk of infection and ensure the safety of teams.

REINFORCED CLEANING SERVICES



housekeeping management

To reduce the risks of infection, CIS has increased the frequency of cleaning by targeting those areas requiring deep cleaning disinfection: kitchens, dining areas, bedrooms, etc.



Mali

HIGHLY EFFICIENT DAY-TO-DAY SITE MANAGEMENT SERVICES



accommodations management

CIS has developed an integrated cloud-based planning and tracking solution for accommodations management. This includes the management of the profiles of residents, turnover, room assignments, occupancy rates, room optimisation, etc.



Bolivia

“The laundry tracking system can reduce inventory and losses by 30%, an important time savings benefit while increasing accuracy in delivering laundry which in turn increases customer satisfaction.”



Mongolia

INNOVATIVE AND HIGHLY EFFICIENT LAUNDRY SERVICES



laundry tracking

CIS proposes a laundry tracking system based on UHF RFID tags. In this way it is possible to identify and trace linen and work clothes from the point of collection to their return back to the living quarters. It also offers the added value of providing useful performance indicators, inventory optimisation and increasing productivity while controlling the occurrence of loss or theft.

OFFERING OUR RESIDENTS A CONVIVIAL AND FRIENDLY ENVIRONMENT



oneDesk

CIS is committed to ensuring the comfort and well-being of its residents and proposes personalised concierge services designed to create an atmosphere of confidence, care, reassuring and efficient follow-up.



Algeria

FACILITY MANAGEMENT

Kamel Boukentache
Facilities Manager
of CIS Group



CIS is able to manage the complete range of services that are necessary to efficiently manage a site. To achieve this objective and meet its customers' day-to-day needs over their projects' lifecycle, the Group has developed a large range of facility and utility management services to ensure their safety, comfort and operational performance.

INTEGRATED SOLUTIONS, PERSONALISED SERVICE



Multi-technical
maintenance



Management and
treatment of wastewater
and drinking water



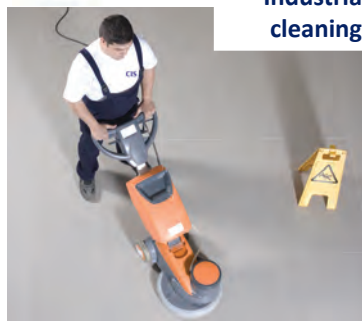
Groundskeeping
and landscaping



Pest control



Industrial
cleaning



Vehicle
fleet
management



Fuel
management



Powerstation
and incinerator
management



Recycling and
waste
management



“

CIS manages all the site's installations. Every year, this represents more than 100,000 multi-technical maintenance interventions, hundreds of tons of composted waste, with nearly 30,000 hours of training provided for these activities.

”



Eritrea

SOURCING EXPERTISE

The Group is capable of overcoming all logistical challenges to efficiently supply its sites with the necessary materials and spare parts, even in the most remote and inaccessible corners of the planet.

EFFICIENT MAINTENANCE SERVICES

CIS works to increase team safety, reduce plant and equipment downtime, and methodically identify and allocate resources through strategic planning.

STATE-OF-THE-ART TECHNOLOGY SOLUTIONS



maintenance management

CIS has developed a computerised maintenance management system, CMMS, making it possible to automate management of customer requests as well as the completion of necessary tasks to extend the operating life of the facilities and optimise costs. This includes an ability to fully anticipate and track preventive and remedial measures.



Brazil



SAFETY

Contributing to safer and healthier living environments



smartPass
critical medical data



bio-disinfection



anti-mosquito solution



smart band



thermal camera



security system



MONITORING

Improving performance and cost controls



smartPass
meal tracking



laundry tracking



food waste tracker



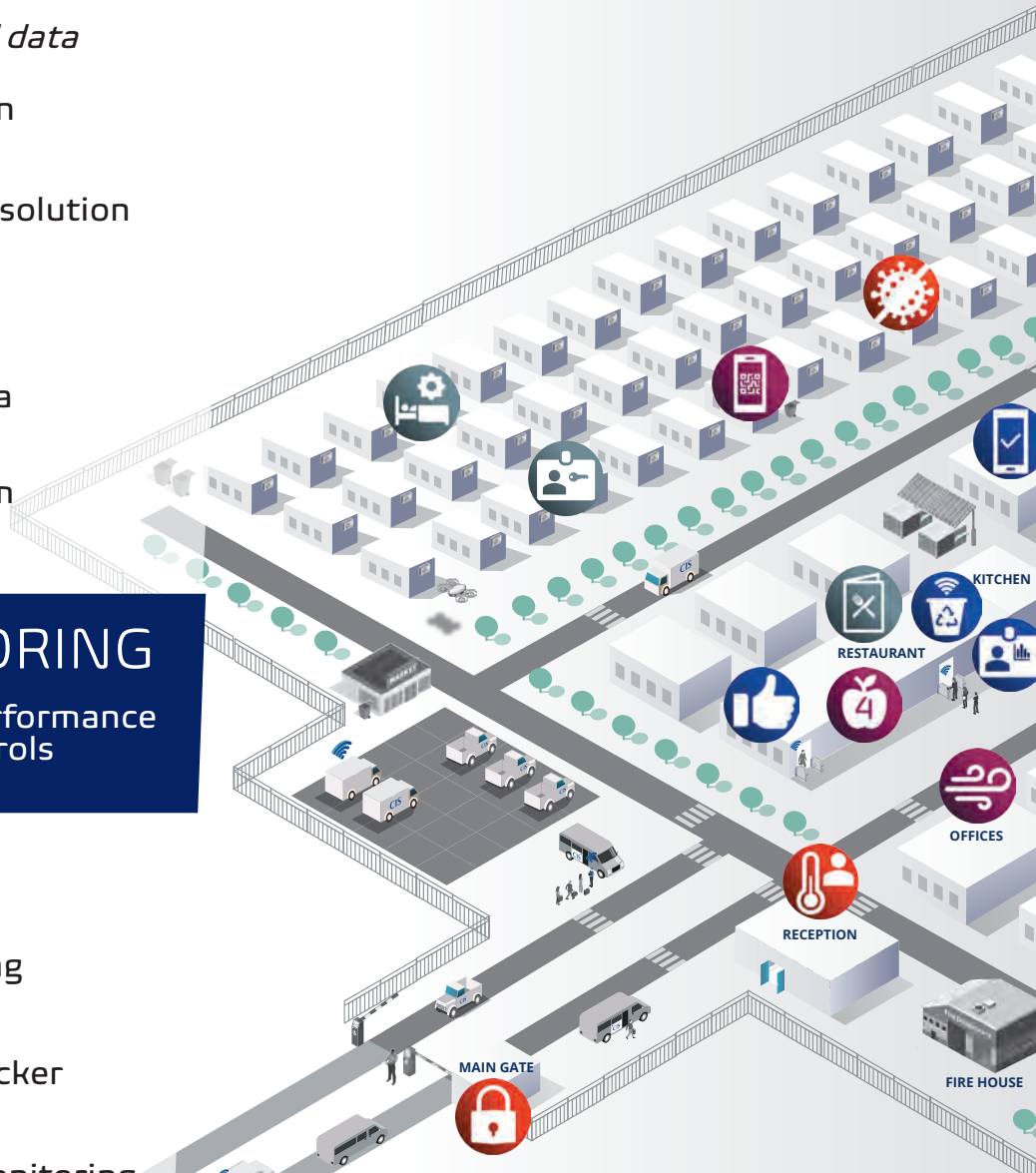
satisfaction monitoring



paperless QHSE audit



temperature tracking



“ CIS' growth is based on our ability to innovate, anticipate and adapt to the future needs of our clients and residents. ”

remote sites, smart solutions

WELL-BEING

Promoting well-being and active lifestyle



smartPass
cashless payment



air purification



health4you



virtual reality center



e-fitness



smartApp



EFFICIENCY

Improving processes and service delivery



smartPass
access control



accommodation management



housekeeping management



maintenance management



menu engineering



oneDesk







CORPORATE CITIZENSHIP

"An international group focused on people's safety, health and well-being."

AN HR POLICY WELL-EQUIPPED FOR ADDRESSING THE CRISIS...

"Despite the crisis, we ended the year on a hopeful note. Thanks to its women and men who represent the Group's most valuable assets, and their collective and resourceful efforts, CIS was successful in staying the course. Ensuring the continuity of our services during a period of adversity was made possible by the motivation of our operational staff in the field working with our customers around the world and local communities with whom we have long established strong ties. This crisis demonstrated the quality and efficiency of our processes that will allow us to propose even better solutions to the challenges of tomorrow."

Stéphane Caille
Vice President, Human Resources



MAXIMISING THE USE OF LOCAL EMPLOYEES

The high percentage of local employees working in CIS Group contributed to minimising the impact of the health crisis, which for our business was essentially linked to border closures and international flight bans (rotation of international experts).



Chad



Mauritania

LOCAL AUTONOMY

A decentralised organisation and subsidiaries combining a considerable autonomy with the support and oversight of the head office contributed to greater responsiveness to the crisis (preventive measures adapted to the local context).

AN AGILE ORGANISATION

A flexible and agile organisation at both the subsidiary and headquarters level: rapid adjustment of local working conditions, reorganisation of headquarters operations (telecommuting, furlough measures), real-time information and safety measures for employees in transit.



The TV studio of our virtual international seminar of November 2020

... WITH A FORWARD-LOOKING VISION



TALENT MANAGEMENT

- 23.5% of key positions are filled by means of internal mobility (up from 13% in 2019).
- Targeted people reviews: while developing our technical offerings, we have identified to date 59 technical experts in 22 countries covering 20 different technical areas of expertise and speaking 6 languages.

TRAINING

- 54,000 hours of training were provided in the Group in 2020, compared to 23,000 in 2019.
- A constantly improving e-learning platform: deployment of new functionalities and an enhanced internal training catalogue.



Senegal

DIGITALIZATION

- Creation of an internal job exchange and group deployment of central recruitment tools.
- A constantly improving e-learning platform.
- Internal development of an operational HR management tool.

Russia

PROMOTING A CULTURE OF OPERATIONAL EXCELLENCE

To meet the increasing demands of its customers and residents, CIS promotes a culture of operational excellence to ensure the highest standards of safety, quality and hygiene.

SAFETY

Safety for all, the Group's top priority since the beginning with the goal of:

0 ACCIDENTS

Uncompromising about the safety of its teams, all new employees receive specific training designed to ensure they possess a full understanding of the risks associated with their functions.

In 2020, CIS Chad celebrated 15 years with no lost time injuries on the site of ExxonMobil's Chad subsidiary, representing more than 13 million hours worked without an incident, a record performance in our industry.



Mongolia

QUALITY

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

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



Burkina Faso

A QHSE COMMUNICATIONS PROGRAMME

The Group has implemented a QHSE communications programme to promote initiatives in each subsidiary throughout the year addressing topics such as continuous improvement, road safety, temperature controls, World Environment Day, human rights, occupational health, etc.

CERTIFICATIONS

Head office ISO 9001

8

subsidiaries certified ISO 9001

4

subsidiaries certified ISO 14000

5

subsidiaries certified OHSAS 18001

3

subsidiaries certified ISO 22000

0

accidents in 2020
in 7 subsidiaries of the Group

0.2

TRIR in 2020
(total recordable incident rate)

0.1

LTIR in 2020
(lost time incident rate)

94%

customer satisfaction rate in 2020



PROMOTING LASTING SOCIAL PROGRESS

CIS Group's actions contribute to promoting the United Nations Global Compact Principles on Sustainable Development. In 2019, CIS launched a social and environmental responsibility program, "A brighter future" to spearhead its transformation into exemplary company in the area of sustainable development. The Group seeks in this way to develop initiatives at both the Group headquarters and subsidiary levels contributing to more sustainable practices.

PRESERVING THE PLANET

As a socially responsible company, CIS adheres to the values of global corporate citizenship to protect the planet. With this objective, the Group has adopted a number of measures:

- Responsible sourcing
92 % of supplies are locally sourced
- Supporting local employment
98 % local employment
- Reducing the carbon footprint
- Reducing non-food waste



Mozambique

COMBATING HUNGER

Reducing food waste

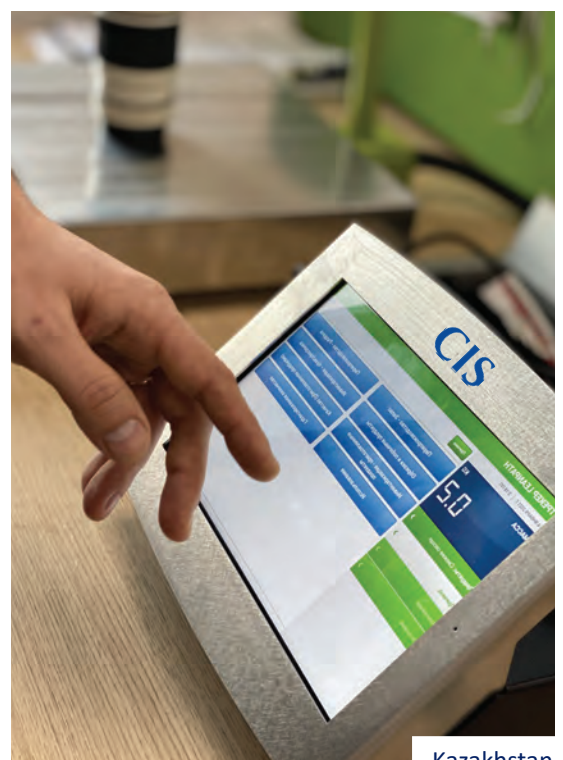
The Group's kitchen teams are regularly trained to manage raw material inventories and to produce just the right quantities. CIS has also equipped its kitchens with connected scales to calculate with precision the quantities needed to prepare menus.

Composting

At several of its operating sites, CIS provides organic waste for the production of compost used for planting fruits and vegetables.

CIS France participates in the Challenge against Hunger

Head office teams participated in an online solidary sporting event in support of the Action against Hunger organisation.



Kazakhstan

IMPROVING THE DAILY LIFE OF LOCAL POPULATIONS

Supporting local farmers

CIS supports local agricultural production and participates in the economic development of surrounding regions:

Since 2014, **CIS Mozambique** has partnered with agricultural schools to increase their production and the purchase of local fruits and vegetables. CIS has also contributed to the creation of local farms as in **Chad**.

In **Senegal**, CIS sources 100% of its vegetables locally from farmers near its operating site.

In **Cameroon**, CIS buys from local farmers and provides them training in good agricultural practices.

In **Burkina Faso**, CIS supports a farm producing vegetables without pesticides or chemical fertilizers by using it as its sole supplier, to the great satisfaction of its customers.

In **Mali**, CIS supports farm groups in the region near its operating site from which it regularly purchases poultry and vegetables.

In the **Democratic Republic of Congo**, CIS has created an agricultural program designed to provide employment to local communities. Since then, CIS has continued to provide training to workers to participate in this program. At the same time, CIS has provided agricultural tools and fertilizer to suppliers of vegetables in the Lubumbashi region.



RAISING THE LEVEL OF EXPERTISE OF OUR LOCAL STAFF

CIS is very committed to building local expertise by maximising the use of local employees

98.3 %


local employees in CIS Group in 2020

100 % 

local employees in **Bolivia**

99.8 % 

local employees in **Brazil**

99.8 % 

local employees in **Algeria**

Burkina Faso



In each of its operating countries, CIS works with local communities to provide access to training, support education and promote local and sustainable employment.

Initiatives in favour of children, education and schooling

CIS has a strong commitment to initiatives in favour of children, education and schooling and supports numerous child relief organisations throughout its 20 operating countries, such as:

In **Chad**, CIS supports the "Dieu Bénit" orphanage as well as the "Grand Coeur" Foundation, whose president is the first lady of Chad, and regularly contributes to improving the living conditions of orphans.

CIS Chad also sponsored the electrification of a village near its operations, using solar panels to bring light to dozens of families.

In **Brazil**, CIS regularly provides food, clothing and toys for children in a social centre near its logistics base in Macae, in order to improve the conditions of disadvantaged populations.

In 2020, our subsidiary in **Russia** donated household appliances, beds and mattresses to Russian orphanages. CIS also partnered with its customer Maire Tecnimont in organising a culinary workshop for local disabled children.

In **Mongolia**, the CIS subsidiary has been supporting for many years the Khanbogd school, located near the industrial project, to improve the working conditions of the pupils, children of its employees at the Oyu Tolgoi site. In 2020, SSM financed the renovation of a classroom in this school so the children could continue their education in satisfactory conditions.

In **Kazakhstan**, since 2013 and on a daily basis, our subsidiary has been offering fruit to children of underprivileged families attending the school serving the villages near our sites.



Bringing comfort to the elderly

In **Mali**, CIS provided food to the elderly in three villages located near its operating site.

In **Mongolia**, our subsidiary paid tribute to the retirees living near our site by offering them hot meals.



Helping people in need

In the period before Christmas, employees of CIS France partnered with a local association in a spirit of solidarity to offer Christmas parcels to the homeless.

Every month, CIS in **Brazil** donates food to a social center to improve the nutritional conditions of underprivileged populations in the region near its logistics base.

Sephora
Manager of the "Dieu Bénit" orphanage in
Chad



"CIS's contribution allowed us to complete the orphanage's renovation and redesign. Thank you CIS for your unwavering support over many years for the children of our community."



CORPORATE FOUNDATION

HELPING YOUTH FROM THE MARSEILLE REGION LAUNCH THEIR PROFESSIONAL LIFE



The CIS Corporate Foundation was created in February 2008, under the impetus of its founder Régis Arnoux.

It seeks to show young adults aged 18 to 25, with projects for the future but held back by limited material resources that the world of business is not all disconnected from day-to-day realities and to support them in their career choice.

The CIS Corporate Foundation's mission is to accompany these candidates over time, from the completion of their project to their entry into professional life.

On average, our scholarship recipients are sponsored for a period of 4 years.

Since 2008, the CIS Foundation has helped nearly 140 young people.

They now work in a wide variety of sectors, including healthcare, finance, consulting and the digital industry.

We are very proud and pleased to be able to promote the qualities of our region by contributing to the success of these deserving hard-working and appreciative youth.

13 years
of actions

137
young adults assisted

9
volunteer contributors



Asma

*"The CIS Foundation was a fundamental stepping stone for pursuing my studies in the UK, where I am now an attorney in a law firm. The Foundation gave me the **moral and financial support** I needed for my career to take off. I was also able to benefit from an **internship in CIS Group** at the end of the first year of my master's degree programme which helped me confirm my choice of career.*

*A **real bond of trust** is developed over the years between the scholarship recipients and the members of the Foundation. It was a **real honour** to have been granted a scholarship by the Foundation and I encourage all young students to believe in their dreams because with **determination, plus a little help, dreams do come true.**"*



Rolland

*"I was assisted by the CIS foundation on three occasions, twice financially and once professionally. At the time, it was the foundation that helped me move to the Paris region and land **an internship in a prestigious French bank**. For me this was a **major turning point**. Today, I am in charge of a Private Banking team for this same bank and in a few months **I will create my company**.*

*I wish to thank once again the entire Foundation and its teams for **the support and encouragement** they provided to me."*



Ludovic

*"An **enormous thanks** to all members of the Foundation!*

*In addition to offering financial aid, they also provide **moral support and emotional encouragement** for each individual project, for each scholarship recipient, a project often uncertain and sometimes hazardous given the young age of the candidates often still searching to find their identity and also their professional path. And this support is provided with **enthusiasm and confidence** to those who are ready to take the risk. Thank you for believing in us and continuing **to believe in those in need of a helping hand.**"*



FINANCIAL PERFORMANCES

FINANCIAL RESULTS AT CONSTANT CURRENCY



REVENUE

€287.8m* in 2020

+ 8.3 %
in relation to 2019

CASH

€64.3m* in 2020

+ 22.7%
in relation to 2019

CURRENT OPERATING PROFIT (EBIT)

€16.4m* in 2020

+ 62.3%
in relation to 2019

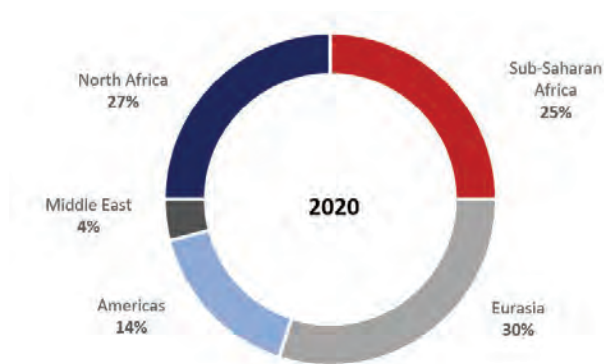
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS

€6.9m* in 2020

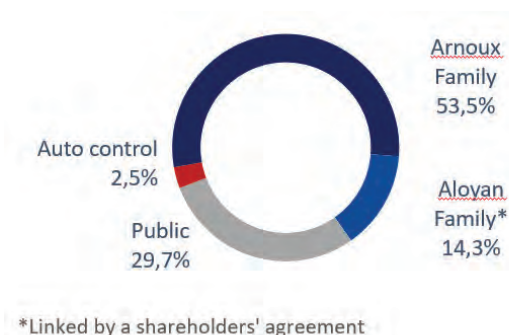
+ 28.6%
in relation to 2019

* at constant currency

REVENUE BY REGION



SHAREHOLDER STRUCTURE



INCOME STATEMENT

IFRS (€m)	At constant currency		On a reported basis		
	2020	Change	2019	2020	Change
Revenue	287.8	+8.3%	265.7	255.7	-3.8%
Cost of sales	(120.1)		(119.7)	(108.3)	
Staff costs	(100.2)		(86.4)	(88.4)	
External charges	(35.3)		(36.2)	(32.1)	
Taxes other than on income	(8.9)		(7.0)	(7.3)	
Allowances for depreciation and amortisation, provisions	(7.0)		(6.2)	(6.6)	
Current Operating Profit	16.4	+62.3%	10.1	13.1	+29.5%
Operating Profit	16.1	+61.2%	10.0	12.8	+28.1%
Net Financial Income (Expense)	(1.4)		0.2	(8.7)	
Corporate income tax	(5.6)		(4.0)	(4.8)	
Consolidated Net Profit /(Loss)	9.1		6.2	(0.7)	
Net Profit /(Loss) attributable to Group shareholders	6.9		5.4	(2.6)	

* at constant currency



2019 Photo: Franck Briesach, Julien Salas, Régis Arnoux, Yannick Morillon



Mongolia

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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 2020 produced for the convenience of English speaking readers. As such the English version of this document has not been audited by our Statutory Auditors and the English translations of their reports included herein are provided for information only. In the event of any ambiguity or conflict between corresponding statements or other items contained in these documents and the original French version, the relevant statement or item of the French version shall prevail and only the original version of the document in French is legally binding. As such, this translation may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion and CIS SA expressly disclaims all liability for any inaccuracy herein.



MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020, 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 2020

1. GROUP PROFILE

CIS, a global player

CIS, Catering International & Services, has been operating across the globe for nearly 29 years.

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

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

Present in 20 countries at more than 230 operating sites, CIS is one of the major global specialists in its area with a worldwide staff of more than 13,000 employees worldwide.

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

2. BUSINESS OVERVIEW

The year 2020 was marked by the Covid-19 pandemic. After hitting the European continent in March, the epidemic spread to the rest of the world with certain countries experiencing major outbreaks, particularly in Latin America.

In response to this unprecedented health crisis, most governments adopted health measures establishing varying degrees of restrictions according to country including lockdowns, the closure of borders to foreign travellers and certain restrictions on trade.

In this context, on 24 February 2020, CIS Group activated its crisis unit to monitor the impact of Covid-19 on its activities and define policies for information, prevention and protection in all its countries of operation.

On this basis, from the beginning of the health crisis, the Group implemented and continues to apply rigorous measures to protect all its teams in France and in international locations (telework for employees where possible based on their functions, adapting workstations, etc.) and combat the virus' spread while ensuring the continuity of its services to its customers in strict compliance with health safety rules.

The sudden closure of borders and lockdown measures prevented travel to our international operating sites. Despite this, CIS remained in regular contact with its customers and the Group's local teams through videoconferencing.

During the peak of the crisis, the Group observed more or less significant fluctuations in the workforce levels of certain customers. In the oil sector, a decrease in staffing levels was noted at some operating sites. Some of the world's major oil companies have delayed their final investment decisions and projects have been postponed.

In contrast, staffing levels at mining sites generally increased as quarantine measures were implemented in order to maintain production capacity of operators.

In addition, the Group introduced new services in the period to help its customers address emerging needs (hygiene and disinfection services).

In the face of this unprecedented situation and to contain the impacts, the Group took appropriate measures beginning in March 2020 by adopting drastic cost reduction plans at both the headquarters and subsidiary levels.

With this same objective, Régis Arnoux, as Chairman of the Board of Directors and majority shareholder of the Group, decided to not distribute a dividend for fiscal 2019, the Company's directors agreed to reduce the total allocation for attendance fees for 2019 and the Group's senior management proposed reductions in their annual bonuses of up to 50%.

Another development impacting 2020 was the significant exchange rate variations in countries heavily affected by the Covid-19 crisis (notably Algeria, Brazil and Russia). This resulted in a negative currency effect on net consolidated financial expense of €7.8 million compared to a positive currency effect of €0.6 million in 2019.

In the end, the impact of the Covid-19 crisis on the Group was limited, highlighting the Group's underlying strength. For example, the effects of the crisis were offset by the renegotiation of a number of contracts during the period. Another factor that contributed to reducing its impact was its diversified customer base across different regions and industry segments.

The Chairman and CEO, Régis Arnoux, emphasised the courage, devotion, adaptability and skills of all teams both at headquarters and in its countries of operation. Without their dedication, the situation of the Group would have been more severely impacted.

As a result, at the end of the 2020 and despite the effects of Covid-19, the Group registered substantial growth in the period, driven mainly by the strong development of activities in Russia, Kazakhstan, Algeria and the Democratic Republic of Congo, the ramp-up of several contracts and also the integration of the

Brazilian companies, Alternativa and Beta. In addition, the Group's healthy and solid financial situation at the end of the previous financial year, also helped mitigate the impacts of this unprecedented crisis and limit the negative effects on its cash flow.

For fiscal 2020, the Group had €255.7 million in revenue on a reported basis, compared to €265.7 million in 2019, declining 3.8% in response to a negative currency effect in the period of €32.1 million.

At constant exchange rates, the Group's revenue rose 8.3% from the prior year to €287.8 million.

Operations in newly-entered markets (Cameroun, Gabon & Senegal) also contributed to the Group's growth.

Business developments and operating highlights

- ▶ In terms of business performances, the Group renewed 92% of its contracts in addition to achieving new commercial successes.
- ▶ The Group consolidated its positions in Algeria, Russia, Brazil, Kazakhstan and Mozambique in FY2020 by winning new contracts with leading operators.
- ▶ The Group also contributed in 2020 to combating the spread of the Covid-19 epidemic by deploying innovative solutions for disinfecting premises at its operating sites and multiplying initiatives in favour of local populations by distributing masks, hygiene and cleaning products in all countries where the Group is active.
- ▶ The Group celebrated 10 years of activity in Burkina Faso, where CIS provide services at seven sites of major mining groups as well as the US Embassy.
- ▶ CIS's Mongolian subsidiary, SSM, was awarded "Best Employer of 2020".
- ▶ CIS Bolivia was the first Group subsidiary to obtain ISO 45001 certification, the standard for efficient management systems for occupational health and safety contributing to the reduction of the risk of accidents in all areas of the company.

► In 2020, the Group renewed its commitment to the United Nations Global Compact which brings together companies, organisations and UN agencies in meeting their fundamental responsibilities in the areas of human rights, international labour standards, the environment and combating corruption.

3. CIS SHARE PRICE PERFORMANCE

The CIS share ended the year at €10.20, down 23.3% from 31 December 2019 (€13.30).

4. ANALYSE DU RÉSULTAT OPÉRATIONNEL ET DE LA SITUATION FINANCIÈRE DU GROUPE

Current operating profit amounted to €13.1 million, up 5.1%.

Operating profit amounted to €12.8 million representing an operating margin of 5.0%, up 1.2 points from 2019. For 2020, a negative currency effect of €9.5 million resulted in a net loss attributable to Group shareholders amounting to €2.6 million.

The Group's shareholders equity stood at €52.7 million and was impacted by a negative currency effect of €6.9 million.

Bank borrowings amounted to €29.8 million (excluding the impact of IFRS 16).

II. Presentation of financial statements

1. SEPARATE PARENT COMPANY FINANCIAL STATEMENTS

Accounting policies and methods

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

Income statement highlights

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

Revenue in 2020 declined 26% or €8,906,000 from €34,278,000 in 2019 to €25,372,000.

After reversals of provisions and expense reclassifications amounting to €3,828,000 and other operating income of €247,000, total operating income came to €29,447,000, up from €35,224,000 in the prior year.

Total operating expenses declined 20% or €8,252,000 to €32,077,000, down from €40,329,000 in 2019.

Operating expenses included €217,000 for allowances for amortisation and depreciation and €482,000 for contingency provisions compared with €252,000 and €2,087,000 respectively in 2019.

These expenses also included allowances for the depreciation of current assets of €103,000, up from €1,163,000 in 2019.

On that basis, the operating loss amounted to €2,629,000 compared to a loss of €5,105,000 in 2019.

After adjusting for financial income of €7,767,000 and financial expenses of €8,500,000, the current operating loss before tax amounted to €3,363,000.

After exceptional income of €15,000, exceptional expenses of 145,000 and income tax expense for the period of €76,000, the net loss for the period amounted to €3,417,000 compared to a net profit of €3,004,000 in 2019.

Balance sheet highlights

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

Non-current assets totalled €16,988,000 including financial assets of €16,295,000.

Current assets amounted to €49,855,000 including cash and cash equivalents of €10,995,000, compared with respectively €52,527,000 and €6,559,000 in 2019.

Provisions for contingencies and expenses amounted to €3,869,000, compared with €4,064,000 for the prior year.

Current liabilities amounted to €39,691,000, up from €37,229,000 in 2019.

At 31 December 2020, shareholders' equity before the distribution of dividends amounted to €24,431,000 compared with €27,848,000 at the end of 2019.

2. CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

Accounting policies and methods

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

However, it should be noted that the main impacts resulting from the application of IFRS 16 "Leases" as from 01.01.2019 are presented in the notes to the consolidated financial statements.

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

The financial statements for fiscal 2020 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 €255,743,000 compared to €265,725,000 in 2019, representing a decrease of €9,982,000, reflecting mainly a negative currency effect

of €32,070,000. At constant exchange rates, revenue rose 8.3% from 2019 to €287.8 million.

The net amount for allowances and reversals of provisions amounted to €6,597,000.

Operating profit amounted to €12,786,000, up from €9,979,000 in 2019. At constant exchange rates, operating profit rose 61.2% from 2019 to €16.2 million.

Net financial expense amounted to €8,686,000 (including a foreign exchange loss of €7,797,000 vs. a gain of €637,000 in 2019) compared to net financial income of €178,000 in 2019.

Profit before tax came to €4,100,000, down from €10,157,000 last year.

Net consolidated loss amounted to €665,000 compared to a profit in 2019 of € 6,155,000.

On that basis, net loss attributable to CIS as the consolidating company amounted to €2,622,000 compared to a profit in 2019 of €5,364,000. At constant exchange rates, the net loss attributable to Group shareholders amounted to €6.9 million, up 28.6% from 2019.

IFRS (€m)	On a CC* basis		On a reported basis		
	2020	Change	2019	2020	Change
Revenue	287.8	+8.3%	265.7	255.7	-3.8%
Cost of sales	(120.1)		(119.7)	(108.3)	
Staff costs	(100.2)		(86.4)	(88.4)	
External charges	(35.3)		(36.2)	(32.1)	
Taxes other than on income	(8.9)		(7.0)	(7.3)	
Allowances for depreciation and amortisation, provisions	(7.0)		(6.2)	(6.6)	
Current Operating Profit	16.4	+62.3%	10.1	13.1	+29.5%
Operating Profit	16.1	+61.2%	10.0	12.8	+28.1%
Net Financial Income (Expense)	(1.4)		0.2	(8.7)	
Corporate income tax	(5.6)		(4.0)	(4.8)	
Consolidated Net Profit /(Loss)	9.1		6.2	(0.7)	
Net Profit /(Loss) attributable to the Group	6.9		5.4	(2.6)	

* CC: constant currencies

Balance sheet highlights

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

Non-current assets amounted to €24, 689,000 compared with €33,105,000 in 2019.

Current assets amounted to €138,501,000 compared with €144,871,000 in 2019.

Non-current liabilities came to €24,269,000 (including long-term provisions of €1,087,000) compared with €24,373,000 in 2019.

Current liabilities amounted to €86,223,000 compared with €92,065,000 in 2019.

At 31 December 2020, shareholders' equity before the distribution of dividends amounted to €52,698,000 compared with €61,538,000 at the end of 2019.

Equity attributable to non-controlling interests amounted to €2,730,000 compared with €2,256,000 in 2019.

Headcount data

The average number of employees was 12,091 in 2020 compared with 11,757 in 2019.

III. Material post-closing events

None.

IV. Business trends and outlook

1. THE GLOBAL ECONOMIC SITUATION

The spread of the Covid-19 with the emergence of clusters of contagion in numerous countries triggered the sharpest decline in markets since the financial crisis of 2008. The situation is not yet under control and remains a source of concern. In the upcoming quarters, in light of the high level of uncertainty and the rollout of vaccination programmes worldwide, the effects of the Covid-19 pandemic will continue to be significant.

Despite this, CIS Group has demonstrated its solidity and prospects for development in the gas and oil, mining and construction and civil engineering sectors remain strong.

Operations in the oil sector have thus continued without interruptions in every phase of production. The mining sector continues to be very robust and many developments in the pipeline should provide significant opportunities for growth.

The Group is also involved in a certain number of major projects, particularly in the oil and gas sector.

A strategy was adopted to expand the service offering particularly in the areas of extreme cleanliness, air purity and all disinfection and/or prevention related services.

Finally, projects are in progress involving potential acquisitions that CIS will be evaluating in greater detail. Around its core business of living accommodation, catering and facility management services, CIS Group has developed innovative solutions designed to address its customers' expectations in terms of safety, well-being, performance and efficiency.

CIS's "Smart4you" digital offering provides customers with innovative turnkey solutions to support them in the day-to-day management of their site and improve the quality of life of their residents.

2. STRATEGY AND OUTLOOK

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

a. Achieving organic growth by

- ▶ Accelerating business momentum,
- ▶ Focusing on large projects,
- ▶ Developing positions in markets with strong growth potential,
- ▶ Expanding into new countries,
- ▶ Diversifying of our services with our Smart4You 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 under the Smart4You brand name to diversify our services and improve our competitiveness and our that of our customers.

V. Subsidiaries and associates

The list of subsidiaries and associates is provided in the note to the consolidated financial statements "23. Consolidated companies".

VI. Risk factors and risk management procedures

1. DEFINITION OF RISK FACTORS

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

In compliance with regulatory obligations, the Group conducted a review of risks which could have a material adverse effect on its business, financial position or earnings. On that basis, it considers that there do not exist to the best of its knowledge other specific and material risks identified other than those presented below.

BUSINESS RISKS

Market risks

CIS' different business activities are subject to strong 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.

To limit the foreign exchange risks, expenses and income are largely denominated in the currency of the country of operation contributing to a certain stability in terms of operating profitability.

However, as a consequence of the Covid-19 crisis, the Group was impacted by significant negative currency effects.

Country operation risks

The Group currently monitors exposures to country operation risks and their geopolitical situation.

There have been no significant incidents in recent years of payment default, including in countries identified at risk.

Risks related to the coronavirus epidemic

In addition to the human consequences of the coronavirus epidemic, it has also led to the closure of certain operating regions in the world and a global slowdown in worldwide growth.

Because all of the Group's revenue is derived from international markets, it may be impacted by the adverse consequences of the epidemic on the global economy.

Nevertheless, the scope of our geographical positioning, the broad range of our main customers business activities as well as the their considerable financial solidity and the expansion of our services based on an offering of innovative solutions constitute significant strengths for the Group. These factors helped limit the negative impacts of the epidemic on the Group's business and development.

In line with the recommendations of the French financial market authority, the AMF (*Autorité des Marchés Financiers*), the Group will reassess on a regular basis throughout the period the known or expected impacts of the epidemic on its activities and prospects.

And to further protect all its employees with respect to this epidemic, the Group strengthened the health and safety rules already being applied in the field.

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

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 the low gross debt-to-equity ratio (excluding IFRS 16) of 56.6% and a net cash position representing 34.2% of total assets, the risk of the Group being unable to honour its financial commitments remains extremely low.

Liquidity risks

As explained above, as the Group maintains a solid cash position at all times, no genuine liquidity risks are considered to exist and on that basis considers that it is able to honour its future payment obligations.

Equity risks

Treasury shares are held exclusively in connection with the liquidity agreement and a share buyback agreement managed by a brokerage firm.

They are recognised in the consolidated financial statements as a charge under equity.

The portfolio of marketable securities consists exclusively of money market funds (OEICs) without an equity component.

Internal control risks

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

Computer error or data loss risks

Measures taken to reinforce the Group's information system allow for information to be transmitted and verified in real time, reducing ipso facto the risks of data loss and errors associated with multiple data entries.

Moreover, the risk of data loss is also limited by the application of strict backup procedures.

Lastly, the information system is equipped with all protection measures available today (inverters, anti-virus, firewall) to reduce the risks of power outage, breakdown, virus attacks or data theft.

Legal risks

Risks related to the regulatory developments

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

Litigation

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

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

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

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

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

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

A new application was in consequence initiated with another international bank which submitted it for prior approval by the Bank of Algeria. This application was on that basis submitted to the national bank's foreign exchange control division on 9 June 2020.

This case is currently is still being processed by the competent authorities.

The Group thus remains confident, as its situation with regard to the authorisation to transfer dividends to France, has been definitively judged and validated by Algeria's highest national courts who confirmed that we are fully entitled transfer dividends to France.

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

Ethical and non-compliance risks

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

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

With this objective, the Group introduced an anticorruption programme, distributing beginning in 2004 an Ethical Charter defining a set of common rules to be adopted by all. Taking this approach a step further and in compliance with the French Law 2016-1691 of 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;
- ▶ OECD guidelines.

Finally, CIS has distributed an internal whistleblowing procedure to all staff.

All these documents dealing with Ethics are available at CIS' website (<https://www.cis-integratedservices.com/fr/ethique>)

To identify risks and prevent serious violations of human rights and fundamental liberties, human health and the environment resulting from the activities of the Group, subcontractors and/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

Au cours de l'exercice 2020, les thématiques suivantes ont notamment été traitées par le Groupe :

- ▶ Updating the Group risk mapping and monitoring risk mitigation and prevention measures and actions;
- ▶ Drafting and monitoring the internal audit control plan for 2020;
- ▶ Monitoring the "Corporate Social Responsibility" (CSR) system;
- ▶ Monitoring the anti-corruption system within the Group;
- ▶ Monitoring the Group's personal data protection system;
- ▶ Monitoring the vigilance plan as described in section VII of this management report.

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

With that objective we:

- ▶ We drafted procedures and summarised guidelines destined to strengthen our crisis management capabilities in the face of any non-conventional incidents;

- ▶ Developed an on-call unit designed to facilitate rapid assessments of potential crises and to intervene as early as possible based on a structured crisis management approach;
- ▶ Developed a methodology for "crisis management and emergency response plans" destined for first-line responders responsible for managing from the start a crisis involving the safety of CIS personnel abroad.

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

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

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

3. OBJECTIVES OF INTERNAL CONTROL

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

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

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

4. ORGANISATION AND IMPLEMENTATION OF INTERNAL CONTROL PROCEDURES

CIS has adopted three organisational priorities for internal control:

Internal control manager

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

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

Internal control functions for business operation

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

Quality approach

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

A quality department was created to monitor and update the quality system. To this purpose, internal audits are

carried out on a regular basis to ensure that the provisions adopted by the quality management system are in compliance with the standard, applied and effective.

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

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

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

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

All actions are planned and monitored jointly by the Quality Manager and the relevant concerned parties. It should also be noted that the Audit and Risk Committee regularly receives input from the Quality Manager and the Internal Control Manager.

5. PRINCIPLES OF BUSINESS CONDUCT AND BEHAVIOUR

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

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

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

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

6. PREPARATION AND VERIFICATION OF ACCOUNTING AND FINANCIAL INFORMATION

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

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

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

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

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

Preparation of consolidated financial statements

In compliance with EC regulation 1606/2002 on the application of international accounting standards, the Group's consolidated financial statements of 31 December 2020 were prepared in accordance with the international financial reporting standards (IFRS) in issue on that date.

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

7. INSURANCE COVERAGE

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

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

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

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

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

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

8. PREVENTING CORRUPTION AND FRAUD

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

In compliance with the French Law 2016-1691 of 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.

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

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

1. ASSOCIATED RISKS

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

The main risks identified are as follows:

► Risks related to the safety of individuals

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

► Risks related to the health of individuals

CIS operates in remote regions where access to health-care 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.

This risk was increased by the global spread of the Covid-19 epidemic. The Group has taken all measures necessary to protect all its teams while at the same time ensuring the continuity of its operations, notably by adopting telework arrangements for all headquarters staff. At its operating sites, the Group was successful in ensuring the continuity of services provided to its customers in strict compliance with health and safety regulations.

► Risks related to the safety of individuals

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

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

2. REGULAR EVALUATIONS OF SUBSIDIARIES, SUBCONTRACTORS AND SUPPLIERS

Every subsidiary produces a report that includes key performance indicators in the areas of health, safety and the environment. The Group has established a

standardised version of this report for evaluating performances in the areas of health, safety and the environment and increasing the reliability of the data provided.

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

3. MEASURES FOR REDUCING RISKS OR PREVENTING SERIOUS ABUSES

The safety and health of people is a fundamental criteria 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 a specialised risk management company) and report a problem.

► Measures for reducing individual health risks

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

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

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

► Measures for reducing individual safety risks

Every Group subsidiary has implemented a road safety prevention campaign to raise employee awareness in this area.

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

Occupational health and safety and road safety policies have been deployed within all the Group’s organisations. These policies have been significantly strengthened in response to the spread of the Covid-19 epidemic.

4. SYSTEM FOR WHISTLEBLOWING AND COLLECTING REPORTS

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

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

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

5. MONITORING SYSTEM

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

VIII. Share capital information

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

At 28 February 2021, the share capital was comprised of 8,041,040 shares representing a total of 13,376,314 voting rights, all exercisable.

The free float also remained stable.

Shareholder	Number of shares		Voting rights	
FINRA (R. Arnoux, Chairman & majority shareholder)	3,776,353	47.0%	7,552,706	56.5%
Ms. Solange ALOYAN	587,244	7.3%	1,174,488	8.8%
Other registered shareholders	1,145,778	14.2%	2,287,842	17.1%
Shares held in treasury* and the liquidity account	202,683	2.5%	32,296	0.2%
Free float (bearer shares)	2,328,982	29.0%	2,328,982	17.4%
TOTAL	8,041,040	100.0%	13,376,314	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 2020, and up to the date of this report, there were no transactions in the Company's shares by directors and officers of the Group.

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	239	-	-	-	-	64	15	-	-	-	-	50
Amount of invoices concerned incl. VAT (€ '000s)	836	51	48	54	2	155	422	67	164	80	85	396
Percentage of total purchases of the period incl. VAT	4.2%	0.3%	0.2%	0.3%	0.0%	0.8%	-	-	-	-	-	-
Percentage of revenue of the period incl. VAT	-	-	-	-	-	-	2.1%	0.3%	0.8%	0.4%	0.4%	2.0%
(B) Invoices excluded from (A) relating to disputed or unrecognised receivables or payables												
Number of invoices excluded	16						12					
Total amount of invoices excluded (€ '000s)	115						82					
(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 16 June 2020, 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. 22-10-62 *et seq.* 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 15 December 2021.

Under the authorisation granted by your General Meeting, the Board of Directors acquired and sold shares of the Company in 2020 for the purpose of maintaining an orderly market in its shares.

At 31 December 2020, the Company held 194,921 own shares in treasury compared with 203,869 shares at 31 December 2019.

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 4 January 2021 on the CIS website is summarised below:

- ▶ Number of shares: 33.431;
- ▶ Balance in cash in the liquidity account : €301,692

XI. Appropriation of earnings

In light of the current context of the Covid-19 epidemic, pursuant to the proposal by the Chairman of the Board of Directors, Régis Arnoux, the Company decided to not distribute dividend for the period ended 31 December 2020 in order to strengthen the Group's present and future cash position.

We propose that the total amount of the net loss for the year of €3,416,860.65 be allocated to "Other reserves".

XII. Statutory disclosure of dividend distributions

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

	2017	2018	2019
Number of shares entitled to dividends	8,041,040	8,041,040	8,041,040
Net dividend per share	€ 0.11	€ 0.12	None
Closing share price at year-end	€ 16.99	€ 9.16	€ 13.30

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 €23,067 including €12,730 for expenses covered by Article 39-4 of this code.

XIV. Information on corporate officers

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

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 2020, is disclosed below: 203,570 shares representing 2.5 % of the share capital.

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

XVI. V/ 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

No offices are up for renewal.

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.

Since its creation, the CIS Foundation has supported nearly than 140 people. Today they occupy a wide range of positions in the fields 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 37 candidates during fiscal 2020.

On 15 April 2021, the Board of Directors voted to increase the Foundation's annual budget to €50,000.

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

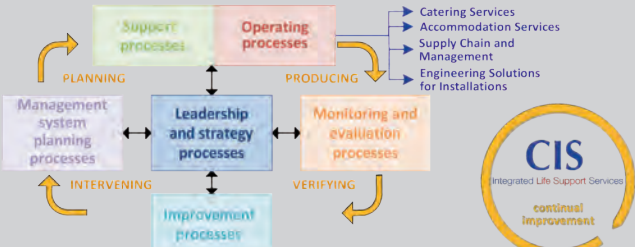
We hereby request that you approve these resolutions submitted to your vote.

THE BOARD OF DIRECTORS



NON-FINANCIAL PERFORMANCE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

OUR VALUE CREATION MODEL

OUR CAPITAL	HOW WE CREATE VALUE	VALUE CREATED IN 2020
<p>Financial capital Stability assured by the Arnoux family-controlled majority shareholder base.</p> <p>Social capital • A network of partners contributing to our socially responsible sustainable development initiatives. • Partnerships with local suppliers and businesses.</p> <p>Cultural capital 21 countries and 56 different nationalities, including 9 at the head office.</p> <p>Human capital > 12,000 employees, of which 35% women.</p> <p>Environmental capital • 42 tonnes of composting to enrich the soil. • 5,78 tonnes of recycled paper at the head office. • 133,768 kWh of electricity and 870 cubic meters of water consumption at the head office.</p>	<p>Our values Integrity, respect, excellence, responsibility, boldness, passion.</p> <p>Our vision To become the international provider of choice for integrated services in the oil, gas, mining, infrastructure and defence markets.</p> <p>Our mission • Promoting lasting relations with our customers, partners and employees based on trust and the quality of our services. • Increasing our expertise as a provider of international catering and integrated services by leveraging our know-how, values and human capital. • Offering reliable, innovative and competitive solutions ensuring the continuous satisfaction of our customers. • Respecting applicable laws and regulations and our code of conduct.</p> <p>Our policies (FR-01-POL-0001-fr - 0010-fr) Code of Conduct, Quality and Commitment to Excellence, Occupational Health and Safety, Food Safety, Information Systems Security, Health and Well-Being Psychoactive Substance Abuse, Road Safety, Gifts and Invitations.</p> <p>Our strategy A focus on growth and improving operating performances.</p> <p>Our Integrated System for Management Excellence (IEMS)</p> 	<p>Our revenue €255.7 million</p> <p>Our sustainable development initiatives 84 initiatives directly aligned with the UN SDGs directly impacting more than 28,000 people:</p> <ul style="list-style-type: none"> • Goal 1: No Poverty. • Goal 2: Zero Hunger. • Goal 3: Good health and well-being. • Goal 4: Quality Education. • Goal 7: Affordable and Clean Energy • Goal 8: Decent Work and Economic Growth. • Goal 10: Reduce Inequalities. • Goal 12: Responsible Consumption and Production. • Goal 14: Life Below Water. • Goal 15: Life on Land. <p>Our international certifications • UN Global Compact within the Group. • ISO 9001: Algeria, Bolivia, Brazil, France, Chad, Kazakhstan Mauritania, Mongolia, Mozambique. • ISO 14001: Algeria, Bolivia, Mongolia, Chad. • ISO 22000: Brazil, Kazakhstan, Mongolia. • OHSAS 18001: Algeria, Bolivia, Kazakhstan, Mauritania, Chad.</p> <p>Our low incident rate • A total recordable injury rate (TRIR) of 0.2. • A total lost time incident rate (LTIR) of 0.1.</p> <p>Our satisfaction rate • A satisfaction rate of 89% based on 2,266,094 consumer votes from 9 countries (2019)</p>

OUR COMMITMENTS

QUALITY POLICY AND COMMITMENT TO EXCELLENCE

Our business is to provide food, housing, service and care for thousands 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

OUR RESPONSIBILITIES

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

Our business has undergone major transformations in recent years. In response to this trend, CIS has decided to regularly introduce increasingly responsible, forward-looking and proactive practices.

CIS has developed a comprehensive process built around the three pillars of sustainable development, divided into ten areas:

Economic responsibility and performance

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

Environmental responsibility and performance

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

Social and corporate responsibility and performance

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

OUR VALUES



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 SA 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 its calculations and reliability.

Reporting period

The reporting period runs from 1 January to 31 December 2020. Data for comparison purposes relates to the period from 1 January 2018 to 31 December 2019.

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 2020, CIS Group did not incur expenditures (as in 2019) 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 2020, there were no provisions for contingencies and guarantees for environmental risks.

Mapping CIS’ corporate social responsibility risks

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

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

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

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

CIS' CSR performance indicators

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

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

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

CIS social responsibility stakeholders

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

GUIDELINES

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

The CIS Group employer profile

OUR TEAMS

At 31 December 2020, the Group had more than 12,000 employees. Women accounted for 35% of the workforce (headquarters and expatriate staff) or a total of 4,200. 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 2020 was 0.7% for the headquarters.

This indicator is obtained dividing the number of days lost through absence by the number of working days. Working hours for local employees in operating countries are determined in reference to local regulations.

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

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

The organisation of dialogue between employees and management

In light of its workforce, CIS SA 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 2020, the total recordable incident rate (TRIR), calculated as the number of recordable accidents:

- ▶ ... multiplied by 200 000*, in relation to the number of days worked per year, was 0.2, compared to 0.3 in 2019.
- ▶ ... multiplied by 1,000,000**, in relation to the number of days worked per year, was 1.1, compared to 1.7 in 2019.

The lost time incident rate (LTIR), calculated by number of lost time days:

- ▶ ... multiplied by 200,000*, in relation to the number of days worked per year, was 0.1 in 2020, compared to 0.2 in 2019.
- ▶ ... multiplied by 1,000,000**, in relation to the number of days worked per year, was 0.4 in 2020, compared to 0.9 in 2019.

The frequency rate for road accidents, calculated according to a multiple of 500,000 accidents per vehicle-kilometre, amounted to 0.4 and 2020 compared to 0.5 in 2019.

No occupational illnesses were reported at the Group headquarters in 2020.

Playing an active role in our safety

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

well as customers who appreciate both the initiative but also the results thus obtained.

Countries having met their objective of zero accidents

There were no accidents to report, even minor, in Burkina Faso, France, Gabon, Malawi, Mali, Niger 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 56 different nationalities (9 for the Group’s headquarters), and disabled employees 0.51 %. The Business Ethics Charter is signed by all employees when they join CIS Group.

Workforce by age

Less than 25	8 %
25-29	14 %
30-34	18 %
35-40	18 %
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).

*Multiplier adopted worldwide and recommended by the *Occupational Safety and Health Administration*, the U.S. federal government agency whose mission is to assure safe and healthy working conditions.

**Multiplier also adopted worldwide by several companies and recommended by the *Health & Safety Executive* (HSE), the UK government agency responsible for the encouragement, regulation and enforcement of workplace health, safety and welfare, and for research into occupational risks.

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 are guaranteed by compliance with the ISO and OHSAS guidelines within Group subsidiaries.

CIS Group as an active environmental stakeholder

THE GROUP HAS SEVERAL CERTIFICATION PROCESSES UNDERWAY



CUSTOMER SATISFACTION

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

In 2020, due to the COVID-19 pandemic, the Group deactivated the customer satisfaction voting equipment to prevent potential risks of contagion to users.

OUR COMMITMENTS IN FAVOUR OF PROTECTING THE ENVIRONMENT

Responsible consumption of resources

In 2020, for the Group headquarters, water consumption totalled 870 m³ and electricity consumption 133,768 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.

None of the ingredients used in our food 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. 42 tonnes of compost have been used to fertilise the ground since this initiative was adopted.

The circular economy: limiting non-food waste

5.78 tonnes of paper, with an equivalent of 115,625 litres of water and 5,781 litres of fuel, were recycled in 2020 by the head office, in this way contributing to saving 92.5 trees. 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 2020, the impact of our travel amounted to a CO² concentration of 436 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 2.7 tons in CO² emissions in 2020 based on emission factors published by the EDF, the French electricity provider.

Releases of dangerous substances, noise nuisance and other specific impacts

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

OUR SOCIETAL COMMITMENTS

The United Nations Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs or Agenda 2030) were adopted in September 2015 by 193 countries at the United Nations following the Millennium Development Goals (MDG). Their ambition is to transform our societies by eradicating poverty and ensuring a fair transition to sustainable development by 2030.

The Sustainable Development Goals are a call to action for all countries - poor, rich and middle-income - to promote prosperity while protecting the planet. They recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, equality and job opportunities while tackling climate change and working to preserve our ocean and forests.

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

CIS contributed to achieving a certain number of these goals through several sustainable development initiative in 2020. Other initiatives have already been adopted in previous years. This information is available in the corresponding reports for these years.

Goal 1: No poverty

End poverty in all its forms everywhere



Approximately 2,000 beneficiaries.

- ▶ Donations of clothing and toys to children for Christmas.
- ▶ Sponsorship of orphanages recognised by States.
- ▶ Donation of food on Christmas Day for children in orphanages.
- ▶ Donation of household appliances (split-systems, microwave ovens, kettles), beds with mattresses, bed linen, pillows and towels to orphanages.
- ▶ Accompanying foundations for donations, financial support, meal preparation.

Goal 2: Zero Hunger

End hunger, achieve food security and improve nutrition and promote sustainable agriculture



Approximately 2,900 beneficiaries.

- ▶ Monthly food donations to social centres.
- ▶ Donation of juice and fruit to children from disadvantaged families in village schools.
- ▶ Donations of lunches to children in schools.
- ▶ Purchase of vegetables and fruit from local partners.
- ▶ 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 purchased the products.
- ▶ CIS purchases fruits, vegetables and fish which represents 70% of its total purchases in certain countries and supports local communities by injecting substantial amounts into the local economy.
- ▶ CIS partners with agricultural schools, and works with small farmers, to increase the production and purchase of fruit and vegetables.
- ▶ CIS has introduced simple and sustainable techniques designed to help local farmers produce according to their needs.
- ▶ A greenhouse farming programme to produce vegetables for underprivileged populations.
- ▶ Donations of agricultural tools and fertiliser to suppliers of vegetables.

- ▶ Training orphanage workers and creating agricultural programmes promoting employment to people from the local community.
- ▶ Food collection by CIS office staff for migrant and refugee aid agencies, as well as for dioceses and for low-income families and disabled children.
- ▶ Purchase of fruit and vegetables from local companies.

Goal 3: Good health and well-being

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



Approximately 14,900 beneficiaries.

- ▶ Campaign to collect corks and plastic bottles on the sites for the benefit of voluntary associations to raise funds to purchase uniforms and ointments for children.
- ▶ A lottery was organised among CIS employees and in the end the total amount was donated to a local association to support children from poor families.
- ▶ Nutritional consultations are available for CIS employees.
- ▶ Donation of food products to local village administrations for the celebration of traditional festivals.
- ▶ Nutritional programmes introduced at the sites offering nutritionally balanced food choices to local populations.
- ▶ Training to children on various subjects (health, safety, environment, food safety, nutrition, human resources, etc.).
- ▶ Sponsoring of traditional local gaming competitions.
- ▶ Donations of meals to elderly people in the villages during traditional celebrations.
- ▶ Charity fund for associations, free provision of food with all proceeds reserved for charities.
- ▶ Donation of New Year's Eve gifts to employees' children.
- ▶ Donation by CIS staff to supply hand sanitizers to the emergency department of local clinics.
- ▶ Donation of disposable masks and hand sanitizers to schools.
- ▶ Donation of remote thermometers to regional diagnostic centres.
- ▶ Donation of cloth masks for distribution to provincial governments and local populations.

- ▶ Donation of meals for blood donors on National Blood Day.
- ▶ CIS, in partnership with clients, organised vacation events including classes, games and dances for associations for disabled children.
- ▶ Donation of disinfectant kits (hydroalcoholic gel, bleach, gloves and masks) to local villages to help combat Covid-19.
- ▶ Donation of disinfectants (hydroalcoholic gel, bleach, hand soap and disposable gloves) to local hospitals.
- ▶ Donation of cleaning materials (disinfectant, all-purpose cleaner, washing-up liquid, plastic bags and toilet paper) to local hospitals.
- ▶ Support for schools in setting up cafeterias and small repairs.

Goal 4: Quality education

Ensuring equal access to quality education for all and promoting lifelong learning opportunities



Approximately 600 beneficiaries.

- ▶ Donation of school material to children of nearby villages.
- ▶ Annual scholarships for French school foundations.
- ▶ Coverage of monthly salaries of local teachers.
- ▶ CIS, in partnership with customers, makes donations to associations for disabled children.
- ▶ Teachers are made available to provide literacy courses for employees.
- ▶ Donation of school books to schools.

Goal 7: Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy



Approximately 50 beneficiaries.

- ▶ Supply of solar panels and lights to equip the homes of local villagers.

Goal 8: Decent work and economic growth

Promote inclusive and sustainable economic growth, employment and decent work for all



Approximately 800 beneficiaries.

- ▶ CIS supports suppliers in terms of QHSE by conducting audits and training suppliers in all good practices.
- ▶ Purchase of food products from local suppliers.
- ▶ Employment opportunities offered to local communities.
- ▶ Donations of products and equipment to maintain common areas of local communities and the creation of new positions to employ persons directly from the local community.
- ▶ Purchase of local food from local suppliers.
- ▶ Partnership for sourcing and training with local suppliers promoting access to employment to disadvantaged local populations.

Goal 10: Reduce inequalities

Reduce inequality within and among countries



Approximately 100 beneficiaries.

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

Goal 12: Responsible consumption and production

Ensure sustainable consumption and production patterns



Approximately 5,800 beneficiaries.

- ▶ Providing access to new technologies to people without the financial means to purchase digital equipment by donating computers no longer in use to associations.
- ▶ On-site food waste management programme, in cooperation with customers, to reduce food waste in all restaurants.
- ▶ Waste separation programme at the sites.
- ▶ Replacement of fluorescent lamps in the offices with LED lamps.

- ▶ Waste collection campaign at the sites.
- ▶ Use of biodegradable cardboard cups instead of plastic cups at the sites.
- ▶ Replacing the use of disposable plastic cutlery at the sites by stainless steel cutlery.
- ▶ Waste collection campaign on sites and industrial processing activities in collaboration with customers.

Goal 14: Life below water

Conserve and sustainably use the oceans, seas and marine resource



Approximately 400 beneficiaries.

- ▶ Collective campaigns with employees to collect plastic waste to prevent plastics from polluting the sea.
- ▶ Solid waste collection campaign in communities near the sites, including nearby beaches.
- ▶ Campaign to set up waste collection containers on the beaches near the sites.

Goal 15: Life on land

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



Approximately 1,300 beneficiaries.

- ▶ Supplying organic waste to sites to produce compost used for planting fruit and vegetables used on site.
- ▶ A tree-planting programme on a desert island
- ▶ Supplying water through irrigation systems for plants and animals.
- ▶ Planting vegetables on sites in unused areas to grow vegetables to be served to customers.
- ▶ Supplying organic waste for compost production to the plant nurseries of its customers.
- ▶ Creation of irrigation systems designed to reduce water consumption.

BALANCED NUTRITION AND DIET



With nearly 51 million meals served every year to its customers and employees in 2020, CIS

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

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

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

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

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

REGIONAL IMPACT OF CIS GROUP ACTIVITIES IN OPERATING COUNTRIES

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

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

THE COMMITMENT OF GROUP COMPANIES TO LOCAL DEVELOPMENT

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

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

RELATIONS WITH STAKEHOLDERS, AND NAMESLY PEOPLE OR ORGANISATIONS INTERESTED IN THE COMPANY'S ACTIVITIES

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

CIS FOUNDATION

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

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

Since its creation, the CIS Foundation has supported nearly 140 scholarship recipients. Today they occupy a wide range of positions in the field of healthcare, banking, consulting firms and even in the videogame industry.

In the context of the Covid-19 pandemic, during 2020 our Foundation assisted and followed 37 candidates.



CIS

2020 Financial report



CONSOLIDATED FINANCIAL STATEMENTS (IFRS)

CONSOLIDATED INCOME STATEMENT

(IFRS)

For fiscal years ended 31 December 2020 and 2019
(€ thousands)

	Notes	31.12.2020	31.12.2019
REVENUE	(3)	255,743	265,725
Cost of sales		(108,340)	(119,700)
Staff costs	(22)	(88,361)	(86,409)
External charges*		(32,052)	(36,242)
Taxes other than on income		(7,279)	(7,027)
Allowances for depreciation and amortisation		(2,584)	(2,582)
Allowances for IFRS 16 related amortisation		(3,771)	(4,129)
Provisions/reversals	(4)	(242)	490
CURRENT OPERATING PROFIT	(3)	13,114	10,126
Other operating income	(5)	248	206
Other operating expenses	(5)	(576)	(353)
OPERATING PROFIT		12,786	9,979
Cash and cash equivalents		2,355	1,874
Cost of gross financial debt		(10,615)	(1,288)
IFRS 16 lease liabilities		(426)	(408)
COST OF NET FINANCIAL DEBT	(6)	(8,686)	178
PROFIT BEFORE TAX		4,100	10,157
CORPORATE INCOME TAX	(7)	(4,765)	(4,002)
CONSOLIDATED NET PROFIT		(665)	6,155
Attributable to non-controlling interests		(1,957)	(791)
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS		(2,622)	5,364
Number of shares		8,041,040	8,041,040
<i>Earnings per share (in euros)</i>		<i>(€0.33)</i>	<i>€0.67</i>
<i>Diluted earnings per share (in euros)</i>		<i>(€0.33)</i>	<i>€0.67</i>

* of which IFRS 16 restatements: €4,089,000 at 31.12.2020 and €4,384,000 at 31.12.2019.

CONSOLIDATED BALANCE SHEET

(IFRS)

For fiscal years ended 31 December 2020 and 2019
(€ thousands)

	Notes	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Net intangible assets	(8)	12,360	14,930
Net property, plant and equipment	(9)	6,516	8,415
IFRS 16 right-of-use assets	(9)	5,054	8,923
Net financial assets	(10)	621	738
Deferred tax assets		138	99
TOTAL NON-CURRENT ASSETS		24,689	33,105
CURRENT ASSETS			
Inventories	(11)	17,284	19,306
Net trade receivables	(12)	53,426	59,311
Other current assets	(13)	9,792	11,448
Current tax assets		1,683	1,407
Cash and cash equivalents*	(14)	56,316	53,399
TOTAL CURRENT ASSETS		138,501	144,871
TOTAL ASSETS		163,190	177,976

* of which for Algeria €32,316,000 at 31.12.2020 and €34,619,000 at 31.12.2019.

CONSOLIDATED BALANCE SHEET

(IFRS)

For fiscal years ended 31 December 2020 and 2019

(€ thousands)

	Notes	31.12.2020	31.12.2019
Shareholders' equity			
Share capital		1,569	1,567
Reserves		51,021	52,351
ANNUAL PROFIT		(2,622)	5,364
Non-controlling interests		2,730	2,256
TOTAL SHAREHOLDERS' EQUITY		52,698	61,538
NON-CURRENT LIABILITIES			
Non-current provisions	(15)	1,087	967
Bank and other long-term borrowings	(16)	21,372	17,968
IFRS 16 long-term lease liabilities	(16)	1,810	5,438
Deferred tax liabilities		0	0
TOTAL NON-CURRENT LIABILITIES		24,269	24,373
CURRENT LIABILITIES			
Current financial liabilities	(16)	9,174	9,487
IFRS 16 short-term lease liabilities	(16)	3,745	3,638
Trade payables		41,034	48,635
Current tax assets		3,943	3,444
Other current liabilities	(17)	28,327	26,861
TOTAL CURRENT LIABILITIES		86,223	92,065
TOTAL EQUITY AND LIABILITIES		163,190	177,976

STATEMENT OF CASH FLOWS

(IFRS)

For fiscal years ended 31 December 2020 and 2019

(€ thousands)

	31.12.2020	31.12.2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net profit	(665)	6,155
Non-cash items		
Allowances for depreciation and amortisation, provisions	6,506	5,319
Gains or losses from asset disposals	248	733
Changes in working capital		
Change in inventories	(1,241)	(7,138)
Change in trade and related receivables	(2,128)	(6,512)
Change in trade and related payables	166	13,913
Changes in other operating assets and liabilities	10,860	2,207
Net cash flow from operating activities	13,746	14,677
CASH FLOW FROM INVESTING ACTIVITIES		
Impact of changes in Group structure	(152)	(10,448)
Acquisitions of intangible assets and property, plant and equipment	(1,380)	(3,175)
Acquisitions of financial assets	0	0
Disposals of intangible assets and property, plant and equipment	175	364
Disposals of financial assets	0	0
Other cash flows from investing activities	35	(262)
Cash provided by (used in) investing activities	(1,322)	(13,521)
CASH FLOW FROM FINANCING ACTIVITIES		
Treasury shares	90	144
Capital increase	0	0
Proceeds from the issuance of borrowings	7,000	12,428
Decrease in borrowings	(1,596)	(2,903)
Repayment of IFRS 16 lease liabilities	(4,014)	(3,976)
Dividends paid to Group shareholders	0	(965)
Dividends paid to non-controlling shareholders of subsidiaries	(1,192)	(1,607)
Withholding tax paid by subsidiaries	(800)	(749)
Cash flow from financing activities	(512)	2,372
Exchange rate impact on cash	(8,492)	432
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,420	3,960
CASH AT THE BEGINNING OF THE PERIOD	52,376	48,416
CASH AT THE END OF THE PERIOD	55,796	52,376

STATEMENT OF CHANGES IN EQUITY

(IFRS)

For fiscal years ended 31 December 2020 and 2019
(in € thousands except shares)

	Number of shares	Capital	Reserves	Translation adjustments	Net income	Non-controlling interests	TOTAL
EQUITY AT 31 DECEMBER 2018	7,849,795	1,570	71,635	(21,714)	4,887	3,002	59,380
Net income appropriation of the prior year			4,887		(4,887)		0
Payment of dividends			(965)			(1,607)	(2,572)
Translation reserve				(672)		59	(613)
Treasury shares	(12,624)	(3)	(141)				(144)
Consolidated retained earnings							0
Changes in Group structure			(679)			11	(668)
Net income for the financial year ended 31 December 2019					5,364	791	6,155
EQUITY AT 31 DECEMBER 2019	7,837,171	1,567	74,737	(22,386)	5,364	2,256	61,538
Net income appropriation of the prior year			5,364		(5,364)		0
Payment of dividends			0			(1,192)	(1,192)
Translation reserve				(6,662)		(267)	(6,929)
Treasury shares	8,948	2	88				90
Consolidated retained earnings							0
Changes in Group structure			(120)			(24)	(144)
Net income for the financial year ended 31 December 2020					(2,622)	1,957	(665)
EQUITY AT 31 DECEMBER 2020	7,846,119	1,569	80,069	(29,048)	(2,622)	2,730	52,698

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IFRS)

For fiscal years ended 31 December 2020 and 2019
(€ thousands)

	31.12.2020	31.12.2019
CONSOLIDATED NET PROFIT	(665)	6,155
Translation differences of consolidated subsidiaries	(6,983)	(683)
Actuarial gains (losses) on defined benefit obligations	(30)	0
COMPREHENSIVE INCOME	(7,678)	5,472
<i>Attributable to the Group</i>	<i>(9,368)</i>	<i>4,623</i>
<i>Attributable to non-controlling interests</i>	<i>1,690</i>	<i>849</i>



CIS

2020 Financial report



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (IFRS)

For fiscal years ended 31 December 2020 and 2019

1. THE GROUP

The consolidated financial statements of CIS for the year ended 31 December 2020 were approved by the Board of Directors on 15 April 2021.

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.

STATUTORY INFORMATION	
Company name	CIS - Catering international & Services
Reason for the name change	Not applicable
Country of head office	France
Legal form	SA
Country of incorporation	France
Headquarters address	40C Avenue de Hambourg 13008 Marseille
Main establishment address	40C Avenue de Hambourg 13008 Marseille
Description of the business	Hotels and similar accommodations
Name of parent company	CIS - Catering international & Services SA
Name of the Group reporting entity	CIS - Catering international & Services SA

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

In accordance with the EC regulation No. 1606/2002 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 2019 and 2020 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 2020:

- ▶ Amendments to IAS 1 and IAS 8: "Definition of material"
- ▶ Amendments to IAS 39, IFRS 7 and IFRS 9: Interest rate benchmark reform – phase 1
- ▶ Limited amendments to IFRS 3: "Definition of a business"
- ▶ Amendments to IFRS 16: Covid-19-related rent concessions

The application of these standards, amendments and interpretations had no impact on the financial statements of CIS Group.

No standard or interpretation has been applied in advance by the Group. No standard, amendment or interpretation was published by IASB or adopted by the EU unless their application was mandatory for periods beginning on or after 1 January 2020.

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 2020, 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 2020 has not identified any hyperinflationary economy as defined by this standard, requiring a restatement approach to its financial statements.

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

Balance sheet items (not including equity translated at the historical exchange rate) are converted into euros at the year-end exchange rate.

Income statement items as well as income attributable to the Group presented under equity are translated according to the average exchange rate for the year. The difference between net income translated at the average rate and net income translated at the year-end rate is recorded in the consolidation reserves.

Current / non-current assets and liabilities

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

All other assets are recognised under “non-current assets”.

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

All other liabilities are recognised under “non-current liabilities”.

Stock option plan

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

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

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

There are no stock option plans currently in force.

Treasury shares

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

Earnings per share

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

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

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

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

Related party transactions

Related party transactions concern in particular transactions with:

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

Revenue recognition

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

The transaction price is determined according to the contractual terms and measured at the fair value of the consideration received or receivable net of rebates and taxes.

The obligating event for recognition of income arises when the performance obligations have been fulfilled, which coincides with the transfer of title of the good or performance of the service.

The order book is measured in accordance with IFRS 15, and on that basis only contracts existing within the meaning of the standard are considered. The estimation of the transaction price uses the expected value method for payments receivable for the portion for which there is a high probability of collection based on the month preceding the measurement. This was valued at US\$486 million at 31 December 2020 (US\$584 million at 31 December 2019), including US\$463 million within the meaning of IFRS 15 and US\$23 million for the optional years.

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

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

a. Lessor

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

b. Lessee

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

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

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

The Group has elected not apply IFRS 16 to:

- ▶ leases with terms of 12 months or less;
- ▶ leases for assets of limited value, and in particular office and telephoned equipment, computers and small computer equipment with at unit replacement value of less than US\$5000;

In connection with its activity, the Group enters into lease agreements as a lessee for the purpose of leasing the following types of assets:

- ▶ offices & warehouses;
- ▶ transport equipment;
- ▶ equipment.

Lease periods adopted based on the expected periods of use of the underlying assets, or:

- ▶ the fixed term of a customer contract which requires the lease;
 - ▶ 3 years if the asset concerns the management structure of the country or headquarters in France;
- or
- ▶ the fixed period of the lease agreement, if this is later.

c. Impacts on the financial statements

At 31 December 2020, the main impacts of the application of IFRS 16 on the Groups financial statements were as follows:

INCOME STATEMENT IMPACTS (€ thousands)	31.12.2020	31.12.2019	BALANCE SHEET IMPACTS (€ thousands)	31.12.2020	31.12.2019
External charges	4,089	4,384	TOTAL BALANCE SHEET	5,084	8,966
Allowances for depreciation and amortisation, provisions	(3,771)	(4,129)	Non-current assets	5,054	8,923
CURRENT OPERATING PROFIT (EBIT)	318	255	Current assets	30	43
OPERATING PROFIT	318	255	Cash and cash equivalents	0	0
Net financial expense	(426)	(408)	Equity	(471)	(110)
Profit before tax	(108)	(153)	Long-term provisions	0	0
Corporate income tax	30	43	Short-term & long-term financial liabilities	5,555	9,076
CONSOLIDATED NET PROFIT	(78)	(110)	Other liabilities	0	0
NET PROFIT ATTRIBUTABLE TO GROUP SHAREHOLDERS	(78)	(110)	NET CASH	0	0

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 for impairment at least once a year in accordance with IAS 36.

Property, plant and equipment

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

That are as follows:

	Useful life (in years)
Fixtures and improvements	10
Transport equipment	5
Office and computer equipment	3
Office furniture	5
Assets located at foreign sites	2 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. Impairment charges are recorded for receivable collection risks using the simplified approach for expected credit losses available under IFRS 9.

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 31.12.2020 as well as those mentioned herein in note 15.

Covid-19 situation

The year 2020 was marked by the Covid-19 pandemic. After hitting the European continent in March, the epidemic spread to the rest of the world with certain countries experiencing major outbreaks, particularly in Latin America.

In response to this unprecedented health crisis, most governments adopted health measures establishing varying degrees of restrictions according to country including lockdowns, the closure of borders to foreign travellers and certain restrictions on trade.

In this context, on 24 February 2020, CIS Group activated its crisis unit to monitor the impact of Covid-19 and define information, prevention and protection policies in all its countries of operation. On this basis, from the beginning of the health crisis, the Group implemented and continues to apply rigorous measures to protect all of its teams while ensuring the continuity of services to its customers.

During the peak of the crisis, the Group observed more or less significant fluctuations in the workforce levels of certain customers. In the oil sector, a decrease in staffing levels was noted at some operating sites. In contrast, staffing levels at mining sites generally increased as quarantine measures were implemented in the sector; In addition, the Group introduced new services in the period to help its customers address emerging needs (hygiene and disinfection services).

Overall, the impact of the Covid-19 crisis on the Group has been limited thus far, highlighting its considerable resilience. For example, the effects of the crisis were offset by major negotiations and the optimisation of contracts during the period. Another factor that reduced its impact was its diversified customer base across different regions and industry segments. In addition, the Group was successful in achieving a very high contract renewal rate and signing new contracts in the period.

Finally, it should be noted that 2020 was impacted by significant exchange rate fluctuations in countries heavily affected by the Covid-19 crisis (notably Algeria, Brazil and Russia). This resulted in a negative currency effect on net financial expense of €7.8 million compared to a positive currency effect of €0.6 million in 2019.

3. GEOGRAPHIC SEGMENT INFORMATION

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

		2020	2019
AFRICA ALGERIA - BURKINA FASO - CAMEROUN - DR OF CONGO - GABON - MALAWI - MALI - MAURITANIA - MOZAMBIQUE - NIGER - SENEGAL - SOMALIA - CHAD	Revenue	134,738	136,059
	COP	5,610	8,056
MIDDLE EAST / OCEANIA SAUDI ARABIA - UNITED ARAB EMIRATES - ERITREA	Revenue	8,993	10,467
	COP	983	(95)
EURASIA KAZAKHSTAN - MONGOLIA - RUSSIA	Revenue	76,499	75,823
	COP	3,991	1,078
AMERICAS BAHAMAS - BOLIVIA - BRAZIL	Chiffre d'affaires	35,513	43,376
	COP	2,530	1,087
REVENUE		255,743	265,725
CURRENT OPERATING PROFIT (COP)		13,114	10,126

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

4. ALLOWANCES AND REVERSAL OF PROVISIONS

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

	2020	2019
Provisions for collection risks for trade and other receivables	(415)	(63)
Operating allowances	(526)	(329)
Reversal of provisions for collection risks for trade and other receivables	420	80
Reversal of operating allowances	279	802
Provisions/reversals	(242)	490

5. OTHER FINANCIAL INCOME AND EXPENSES

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

	2020	2019
Profit from asset disposals	115	202
Changes in Group structure	129	0
Miscellaneous operating income		
Payment differences	4	4
Compensation from other disputes		
Other operating income	248	206

	2020	2019
Customer disputes		
Labour disputes	(105)	(13)
Other lawsuit contingencies	(70)	(60)
Destruction of trade goods		
Penalties	(401)	(280)
Changes in Group structure		
Impairment of goodwill		
Payment differences		
Other operating expenses	(576)	(353)

6. ANALYSIS OF NET FINANCIAL INCOME (EXPENSE)

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

	2020	2019
Net proceeds from the disposal of marketable securities	7	2
Income from cash equivalents	449	775
Interest expense on borrowings	(594)	(557)
IFRS 16 interest expenses	(426)	(408)
Other interest and similar expenses	(326)	(297)
Other financial income	1	26
Net borrowing costs	(889)	(459)
Translation differences	(7,797)	637
Net financial expense	(8,686)	178

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, expenses and income are generally denominated in the currency of the country of operation which contributes to maintaining a certain balance, notably at the level of operating profitability.

All borrowing costs are expensed in the period in which they are incurred.

7. CORPORATE INCOME TAX

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

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

	2020	2019
Profit before tax	4,100	10,157
French tax rate of 28%	(1,148)	(2,844)
Impact of non-deductible expenses	(18)	(33)
Impact of operating country tax rates and tax bases	(3,599)	(1,125)
Corporate tax income (expense)	(4,765)	(4,002)

8. INTANGIBLE ASSETS

Intangible assets include the following items (€ thousands):

	31.12.2019	Acquisitions/ Allowances	Disposals / Reversals	Translation adjustments	Consolidation changes and reclassifications	31.12.2020
Software	1,554	31	0	(171)	(138)	1,276
Goodwill	14,418	0	0	(2,279)	0	12,139
Non-compete clauses	2,300	0	0	0	0	2,300
Other intangible assets	410	0	0	0	0	410
Gross intangible assets	18,682	31	0	(2,450)	(138)	16,125
Amortisation of software	(1,144)	(89)	0	119	0	(1,114)
Amortisation of non-compete clauses	(2,300)	0	0	0	0	(2,300)
Amortisation of other intan- gible fixed assets	(308)	(44)	0	1	0	(351)
Amortisation, depreciation and impairment	(3,752)	(133)	0	120	0	(3,765)
Net intangible assets	14,930					12,360

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

Goodwill consists of:

- ▶ Goodwill from the Algerian company, CIEPTAL acquired in 2006 in the amount of €6,600,000
- ▶ Goodwill arising from the acquisition of the Brazilian companies Alternativa & Beta in 2019 in the amount of €5,539,000.

This goodwill is tested for impairment annually based on the value of the corresponding CGUs.

The following assumptions were used to determine their value in use:

	ALGERIA		BRAZIL	
	2020	2019	2020	2019
Discount rate (WACC)	12.00%	7.00%	9.00%	8.00%
<i>Of which country and market risk premium</i>	22.20%	8.00%	10.50%	8.00%
Perpetuity growth rate	3.00%	3.00%	2.00%	2.00%
Budget period	3 years	3 years	3 years	3 years

Furthermore, to prevent any risks associated with this valuation, a sensitivity analysis has been performed based on the following parameters:

- ▶ -2 points of growth in sales
- ▶ -1 point of growth in the operating margin
- ▶ -2 points of growth in long-term cash flows.

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

9. PROPERTY, PLANT AND EQUIPMENT

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

	31.12.2019	Acquisitions/ Allowances	Disposals / Reversals	Translation adjustments	Consolidation changes and reclassifications	31.12.2020
IFRS 16 right-of-use assets	13,045	1,019	(1,111)	(1,577)	0	11,376
Buildings and living compounds	5,862	46	(24)	(1,032)	0	4,852
Plant, machinery and equipment	10,903	894	(1,149)	(2,098)	43	8,593
General equipment, fixtures and miscellaneous improvements	3,590	94	(157)	(333)	240	3,434
Transport equipment	5,932	250	(95)	(748)	44	5,383
Office and computer equipment	2,253	491	(166)	(341)	63	2,300
Tangible assets under construction	240	0	0	0	(240)	0
Gross property, plant and equipment	41,825	2,794	(2,702)	(6,129)	150	35,938
Amortisation of IFRS 16 right-of-use assets	(4,122)	(3,771)	760	811	0	(6,322)
Depreciation of buildings and living compounds	(2,673)	(264)	370	459	0	(2,108)
Depreciation of plant, machinery and equipment	(8,436)	(1,032)	770	1,709	(1)	(6,990)
Depreciation of general equipment, fixtures and miscellaneous improvements	(2,950)	(218)	148	277	0	(2,743)
Depreciation of transport equipment	(4,547)	(669)	94	562	1	(4,559)
Depreciation of office and computer equipment	(1,759)	(268)	149	232	0	(1,646)
Amortisation, depreciation and impairment	(24,487)	(6,222)	2,291	4,050	0	(24,368)
Net property, plant and equipment	17,338					11,570

10. NON-CURRENT FINANCIAL ASSETS

Financial assets include the following (€ thousands):

	31.12.2019	Increase	Decrease	Translation adjustments	Consolidation changes and reclassifications	31.12.2020
Deposits and guarantees	732	231	(272)	(66)	(15)	610
Loans and financial assets	6	11	(6)	0	0	11
Net financial assets	738	242	(278)	(66)	(15)	621

11. INVENTORIES

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

	31.12.2020	31.12.2019
Inventory of trade goods	17,284	19,306
Provisions for impairment		
Net inventories	17,284	19,306

12. TRADE RECEIVABLES

Trade receivables break down as follows (€ thousands):

	31.12.2020	31.12.2019
Trade receivables	55,535	61,498
Doubtful trade receivables	(2,109)	(2,187)
Net trade receivables	53,426	59,311

13. OTHER CURRENT ASSETS

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

	31.12.2020	31.12.2019
Advances and instalments paid on orders	1,166	2,595
Other receivables	7,377	6,513
Provisions for doubtful trade receivables		
Prepaid expenses	1,249	2,340
Other current assets	9,792	11,448

14. CASH AND CASH EQUIVALENTS

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

	31.12.2020	31.12.2019
Unrestricted cash	24,000	18,780
Restricted cash not available for use by the group	32,316	34,619
Income from cash and cash equivalents	56,316	53,399

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

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

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

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

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

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

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

A new application was in consequence initiated with another international bank which submitted it for prior approval by the Bank of Algeria. This application was on that basis submitted to the national bank's foreign exchange control division on 9 June 2020.

This case is currently is still being processed by the competent authorities.

The Group thus remains confident, as its situation with regard to the authorisation to transfer dividends to France, has been definitively judged and validated by Algeria's highest national courts who confirmed that we are fully entitled transfer dividends to France.

15. PROVISIONS AND OTHER NON-CURRENT LIABILITIES

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

	31.12.2019	Allowances	Reversals (provisions used in the period)	Reversals (unused provisions)	Translation adjustments	Consolidation changes and reclassifications	31.12.2020
Labour disputes	471	75	(90)	(39)	0	0	417
Other lawsuit contingencies for subsidiaries	279	294	(49)	(69)	(61)	0	394
Provisions for pension liabilities	217	59	0	0	0	0	276
Provisions and other non-current liabilities	967	428	(139)	(108)	(61)	0	1087

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.

75% of the acquisitions of Alternativa and Beta were financed through bank loans, with the balance from equity.

Bank	Net carrying value in € thousands at 31.12.2019	Net carrying value in € thousands at 31.12.2020	Nominal amount in € thousands	Rate	Maturity < 1 yr.	Maturity >2 and < 5 yrs.	Maturity > 5 yrs.
BNP (France)	8,305	7,685	10,000	1.80%	1,409	6,276	
CEPAC (France)	13,000	19,024	20,000	1.03%	3,928	15,096	
Itau (Brazil)	443			7.80%			
Itau (Brazil)	664			7.80%			
Itau (Brazil)	1,107			7.92%			
Itau (Brazil)		1,569	1,569	6.42%	1,569		
BNP (Brazil)	2,215	1,569	1,569	6.30%	1,569		
IFRS 16 lease liabilities	9,076	5,555			3,745	1,810	
Bank borrowings	34,810	35,402			12,220	23,182	0
Bank overdrafts	1,023	520			520		
Current accounts	698	179			179		
Long-term debt	36,531	36,101			12,919	23,182	0

17. OTHER CURRENT LIABILITIES

Other current liabilities include the following (€ thousands):

	31.12.2020	31.12.2019
Advances and down-payments on orders in progress	8,475	8,718
Other tax and social security payables	18,962	16,470
Other payables	890	1,673
Other current liabilities	28,327	26,861

18. SHAREHOLDERS' EQUITY

As of 31 December 2020, the share capital of Catering International & Services was composed of 8,041,040 shares with a par value of €0.20.

At 31 December 2020, the Company held 194,921 treasury shares for an amount of €3,150,000 recognised as a deduction from equity. For information, at 31 December 2019, 203,869 own shares valued at €3,239,000 were held in treasury and deducted in consequence from equity.

In the financial year, the General Meeting voted to not distribute 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 adjustable annual rental payments of €45,000 excluding charges. For fiscal 2020, under the terms of this agreement, expenses of €47,000 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 adjustable annual rental payments of €87,000 excluding charges. For fiscal 2020, under the terms of this agreement, expenses of €90,000 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 adjustable annual rental payments of €99,000 excluding charges. For fiscal 2020, under the terms of this agreement, expenses of €103,000 were recognised for rental payments excluding charges.
- ▶ 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 adjustable annual rental payments of €32,000 excluding charges. For fiscal 2020, under the terms of this agreement, expenses of €33,000 were recognised for rental payments excluding charges.
- ▶ Pursuant to the authorisation of the Board of Directors of 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 2020, under the terms of this agreement, no expense was recorded.

- ▶ Pursuant to the authorisation of your Board of Directors on 28 May 2020, your company entered into a renewable agreement for the purpose of coordination and assistance for 12-months with Financière Régis Arnoux SAS for the purpose of strengthening the Group in preparing its financial, operating and commercial policies and providing assistance in the areas of strategy, organisation, HR and communications. This agreement cancels and replaces the agreement approved by the Board of Directors on 16 April 2019, which ceased to have effect on 31 December 2019. For fiscal 2020, under the terms of this agreement, expenses of €165,000 excluding tax were recognised for fees.
- ▶ Pursuant to the authorisation of the Board of Directors of 19 November 2020, your company concluded a 9-year commercial lease for professional use with SCI PHENIX in exchange for adjustable annual rental payments of €30,000 excluding charges. For fiscal 2020, under the terms of this agreement, expenses of €5,000 were recognised for rental payments excluding charges.

20. OFF-BALANCE-SHEET CONTINGENCIES AND COMMITMENTS

Commitments given at 31 December 2020 amounted to €16,135,000 of which:

- ▶ performance bonds..... €12,618,000
- ▶ advance payment guarantees €1,350,000
- ▶ tender bonds..... €1,954,000
- ▶ of which other guarantees €213,000

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 €233,000 relating exclusively to headquarters and expatriate staff. Benefits for local staff are not material in light of less favourable regulations, high turnover and the frequent use of fixed-term employment contracts.

The Group records the total amount of its benefit obligations for retirement, early retirement, retirement severance payments, social security, long-service awards, contingency fund and other similar benefits both for the personnel currently working and retired personnel, net of the plan assets and the amounts not recognised in accordance with the provisions of IAS 19.

For the defined contribution plans, payments made by the Group are expensed in the period to which they relate. For defined benefit plans, the costs are estimated using the projected unit credit method.

Future employee benefit obligations are measured on the basis of assumptions about wage escalation trends, retirement age and probability of payment. These future payments are taken to their present value using a specific discount rate.

The actuarial gains and losses (change in benefits and financial assets due to the changes in assumptions and experience adjustments) are recognised under other comprehensive income.

Employee benefit costs are divided into 2 categories:

- ▶ A charge from the reversal of the measurement of present value (net of return on plan assets) recorded under financial income and expense;
- ▶ Operating expenses corresponding to service costs;

Assumptions used for the calculation are as follows:

- ▶ A retirement age of 65
- ▶ Average decrease in career profile
- ▶ Average staff turnover: 5%
- ▶ Salary escalation: 1.5% per year
- ▶ Discount rate: 0.8% per year
- ▶ Separate mortality ratios based on distinct mortality tables for men and women
(Reference: Insee TD 2012-2016 Table)

22. STAFF

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

	2020			2019		
	Headcount	Salaries and social contributions	External staff costs	Headcount	Salaries and social contributions	External staff costs
Headquarters staff	46	5,093		46	5,453	
Expatriate staff						
Local staff	10,887	83,239		10,406	80,923	
Total CIS staff	10,933	88,332	0	10,452	86,376	0
Local external staff	1,158	29	12,310	1,305	33	13,480
Workforce managed by the Group	12,091	88,361	12,310	11,757	86,409	13,480

23. CONSOLIDATED COMPANIES

The following companies were consolidated:

Company	Consolidation method	Group controlling interest (%)	
		2020	2019
CIS	Parent company	100%	100%
ARCTIC CATERING SERVICES (ACS)	Full consolidation	100%	100%
CIS CAMEROON	Full consolidation	100%	100%
CIS CHAD	Full consolidation	100%	100%
CIS BOLIVIA	Full consolidation	99%	99%
CIS BRAZIL	Full consolidation	100%	100%
CATERING NORTH AFRICA SERVICES	Full consolidation	100%	100%
CIS NEW CALEDONIA	Full consolidation	60%	60%

Company	Consolidation method	Group controlling interest (%)	
		2020	2019
CIEPTAL	Full consolidation	100%	100%
ICS GUINEA CONAKRY	Full consolidation	100%	100%
CISY YEMEN	Full consolidation	50%	50%
CAC KAZAKHSTAN	Full consolidation	100%	100%
CIS NIGER	Full consolidation	100%	100%
CIS BURKINA FASO	Full consolidation	100%	100%
GCS GUINEA CONAKRY	Full consolidation	100%	100%
CNA	Full consolidation	100%	100%
MOHJAT AL-IRAQ GENERAL TRADE	Full consolidation	100%	100%
CIS MIDDLE EAST	Full consolidation	100%	100%
CIS DOMINICANA	Full consolidation	100%	100%
CIS MALI	Full consolidation	100%	100%
CIS NACALA ⁽¹⁾	Full consolidation	100%	80%
SUPPORT SERVICES MONGOLIA	Full consolidation	49%	49%
CATER CONGO	Full consolidation	100%	100%
CIS MOCAMBIQUE	Full consolidation	80%	80%
CIS ARABIA ⁽²⁾	Full consolidation	100%	55%
CIS MEA ⁽³⁾	Unconsolidated	0%	100%
TSC RDC	Full consolidation	100%	100%
CIS KOWEIT	Full consolidation	94%	94%
ALTERNATIVA	Full consolidation	100%	100%
BETA	Full consolidation	100%	100%
CIS KASHAGAN	Full consolidation	55%	55%
CIS MALAWI	Full consolidation	100%	100%
CIS SENEGAL	Full consolidation	100%	100%
CSS CONGO	Full consolidation	49%	49%
CIS GABON	Full consolidation	100%	100%
ISC CAMEROUN	Full consolidation	100%	100%

⁽¹⁾ CIS Group increased its stake in CIS NACALA by buying back the shares held by the partner on 21 August 2020.

⁽²⁾ CIS Group increased its stake in CIS ARABIA by buying back the shares held by the partner on 1 January 2020.

⁽³⁾ Liquidation of CIS MEA finalised on 1 October 2020.

The Yemeni company CISY, the Mongolian company Support Services Mongolia as well as the Congolese company, CSS Congo, were fully consolidated as exclusive control has been given to the parent company CIS, even though CIS SA's percentages of ownership interest in these companies are respectively 50%, 49% and 49%.

The notion of control is analysed in reference to the criteria defined by IFRS 10, and namely:

- ▶ CIS SA has power over CISY, SSM and CSS,
- ▶ CIS SA has exposure to variable returns from its involvement with CISY, SSM and CSS,
- ▶ CIS SA has the ability to use its power over CISY, SSM and CSS to affect the amount of these returns.

24. AUDITORS' FEES

Group Auditors:

AUDIT CONSEIL EXPERTISE, SAS MEMBER OF PKF INTERNATIONAL

17, boulevard Cieussa
13 007 Marseille

SYREC

Prado Beach
59, promenade Georges Pompidou
13 272 Marseille

Fees recognised in the period (€ thousands) :

	Audit Conseil Expertise		SYREC		Other	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
	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)	50.3	49.3	50.3	49.3	174.4	188.2
Service other than account certification				4.6	7.5	7.5
Total fees	50.3	49.3	50.3	53.9	181.9	195.7

25. SUBSEQUENT EVENTS

None.

SEPARATE PARENT COMPANY FINANCIAL STATEME

Catering International & Services Income statement (1/2) (€ thousands)		Financial year N ended 31.12.2020			N-1 at 31.12.2019
		France	Export	Total	
OPERATING REVENUES	Sales of goods held for resale	0.0	0.0	0.0	0.0
	Sold production: goods	0.0	0.0	0.0	0.0
	Sold production: services	0.0	25,371.7	25,371.7	34,278.1
	Net sales	0.0	25,371.7	25,371.7	34,278.1
	Change in finished goods and in-progress inventory			0.0	0.0
	Capitalised production			0.0	0.0
	Operating grants			0.0	12,232.5
	Reversals of depreciation, amortisation and provisions and expense reclassifications			3,828.2	133.2
	Other income			247.3	14,918.3
	Total operating revenue (1)			29,447.2	763.3
OPERATING EXPENSES	Purchase of trade goods			0.0	5,553.0
	Changes in inventories (trade goods)			0.0	2,223.2
	Purchase of raw material and other supplies			7,527.6	251.8
	Changes in inventories (purchase of raw material and other supplies)			625.6	0.0
	Other purchases and external charges			12,287.0	1,163.2
	Taxes and similar payments (other than on income)			992.5	2,086.8
	Wages and salaries			5,688.3	1,003.3
	Social security contributions			2,236.2	40,328.5
	OPERATING ALLOWANCES	Fixed assets depreciation allowance		217.2	(5,105.0)
		Provisions for losses in value of fixed assets		0.0	0.0
		Provision for losses on current assets		103.0	0.0
		Provisions for contingencies and expenses		481.8	2 086,8
	Other expenses			1,917.5	1 003,3
	Total operating expenses (II)			32,076.6	40 328,5
	1. OPERATING PROFIT (LOSS) (I-II)			(2,629.4)	(5 105,0)
JOINT OPERATIONS	Profits attributed or losses transferred (III)			0.0	0.0
	Loss incurred or transferred profit (IV)			0.0	0.0

CATERING INTERNATIONAL & SERVICES Income Statement (2/2) (€ thousands)		Financial year N ended 31.12.2020	N-1 at 31.12.2019
FINANCIAL INCOME	Financial income from equity interests	6,205.9	7,598.0
	Income from other securities and long-term receivables	0.0	0.0
	Other interest and similar income	10.3	38.6
	Reversals of provisions and expense reclassifications	1,420.4	2,781.3
	Foreign exchanges gains	130.3	526.2
	Net gain from the disposal of marketable securities	0.0	0.0
	Total financial income (V)	7,766.9	10,944.0
FINANCIAL EXPENSES	Allowances for amortisation and reserves	2,502.9	734.4
	Interest and similar expenses	446.2	399.8
	Foreign exchange losses	5,545.5	165.2
	Net losses from the disposal of marketable securities	5.7	0.4
	Total financial expense (VI)	8,500.3	1,299.7
	2. NET FINANCIAL PROFIT / (EXPENSE) (V-VI)	(733.4)	9,644.3
	3. PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX AND EXCEPTIONAL ITEMS (I-II+III-IV+V-VI)	(3,362.8)	4,539.3
EXCEPTIONAL INCOME	Exceptional income from non-capital transactions	14.8	1.3
	Exceptional income from capital transactions	0.0	11.8
	Reversals of provisions and expense reclassifications	0.0	0.0
	Total exceptional income (VII)	14.8	13.1
EXCEPTIONAL EXPENSES	Exceptional expenses on non-capital transactions	132.0	54.8
	Exceptional expenses on capital transactions	12.7	940.8
	Exceptional appropriations for amortisations and reserves	0.0	0.0
	Total exceptional expenses (VIII)	144.7	995.6
	4. NET EXCEPTIONAL ITEMS (V-VI)	(129.9)	(982.5)
	Employee profit sharing (IX)	0.0	0.0
	Income tax expense (X)	(75.8)	552.8
	TOTAL REVENUES (I+III+V+VII)	37,228.8	46,180.7
	TOTAL EXPENSES (II+IV+VI+VIII+IX+X)	40,645.7	43,176.6
	5. PROFIT OR LOSS (Total revenues - Total expense)	(3,416.9)	3,004.0

CATERING INTERNATIONAL & SERVICES Balance Sheet - Assets (€ thousands)			Financial year N ended 31.12.2020			N-1 at 31.12.2019
			Gross	Depreciation, amortisation, provisions	Net	Net
Uncalled subscribed capital (I)			0.0	0.0	0.0	0.0
NON-CURRENT ASSETS	INTANGIBLE ASSETS	Start-up costs	0.0	0.0	0.0	0.0
		Research and development expenditures	0.0	0.0	0.0	0.0
		Concessions, patents and similar rights	656.7	625.0	31.7	55.4
		Goodwill	0.0	0.0	0.0	0.0
		Other intangible assets	2,700.5	2,642.3	58.2	97.7
		Advances and prepayments on intangible assets	0.0	0.0	0.0	0.0
	PROPERTY, PLANT AND EQUIPMENT	Land	0.0	0.0	0.0	0.0
		Buildings	0.0	0.0	0.0	0.0
		Plant, machinery and equipment	333.4	329.6	3.8	24.2
		Other tangible assets	3,642.6	3,042.6	600.0	368.7
		Tangible assets under construction	0.0	0.0	0.0	239.8
		Advances and deposits	0.0	0.0	0.0	0.0
	NON-CURRENT FINANCIAL ASSETS	Equity-accounted investments	0.0	0.0	0.0	0.0
		Other investments	11,203.2	0.0	11,203.2	10,377.5
		Investment-related receivables	5,000.0	0.0	5,000.0	5,000.0
		Other fixed securities	0.5	0.0	0.5	0.5
		Loans	0.0	0.0	0.0	0.0
		Other financial assets	90.9	0.0	90.9	87.3
TOTAL (II)			23,627.7	6,639.4	16,988.3	16,251.1
CURRENT ASSETS	INVENTORIES	Raw materials and supplies	2,145.1	0.0	2,145.1	2,770.6
		Work-in-progress: goods	0.0	0.0	0.0	0.0
		Work-in-progress: services	0.0	0.0	0.0	0.0
		Semi-finished and finished products	0.0	0.0	0.0	0.0
		Trade goods	0.0	0.0	0.0	0.0
	RECEIVABLES	Advances and instalments paid on orders	257.0	0.0	257.0	292.9
		Trade receivables and related accounts	2,835.1	117.3	2,717.8	4,494.0
		Other receivables	35,729.9	4,417.0	31,312.9	35,318.5
		Subscribed capital called and unpaid	0.0	0.0	0.0	0.0
	MISCELLANEOUS	Marketable securities	3,150.8	1,161.6	1,989.2	2,712.5
		Cash and cash equivalents	10,995.1	0.0	10,995.1	6,559.3
ACCRUAL ACCOUNTS	Prepaid expenses		437.5	0.0	437.5	378.9
	TOTAL (III)		55,550.5	5,695.9	49,854.6	52,526.7
	Charges to be spread over several periods (IV)		0.0		0.0	0.0
	Bond redemption premiums (V)		0.0		0.0	0.0
	Unrealised exchange losses (VI)		1,869.3		1,869.3	734.4
	TOTAL (I to VI)		81,047.5	12,335.3	68,712.1	69,512.1

CATERING INTERNATIONAL & SERVICES Balance Sheet - Equity & Liabilities (€ thousands)		Financial year N ended 31.12.2020	N-1 at 31.12.2019
SHAREHOLDERS' EQUITY	Share capital or individual share	1,608.2	1,608.2
	Additional paid-in capital	1,500.7	1,500.7
	Revaluation difference	0.0	0.0
	Legal reserve	160.8	160.8
	Statutory or contractual reserves	0.0	0.0
	Tax-based reserves	0.0	0.0
	Other reserves	24,578.2	21,574.1
	Retained earnings	0.0	0.0
	ANNUAL PROFIT OR LOSS	(3,416.9)	3,004.0
	Investment grants	0.0	0.0
	Tax-driven provisions	0.0	0.0
	TOTAL (I)	24,431.1	27,847.9
OTHER EQUITY	Proceeds of issuance of non-voting shares	0.0	0.0
	Advances on conditions	0.0	0.0
	TOTAL (II)	0.0	0.0
PROVISIONS FOR CONTINGENCIES AND EXPENSES	Provision for contingencies	3,636.5	3,865.0
	Provisions for expenses	232.6	198.7
	TOTAL (III)	3,869.1	4,063.7
PAYABLES	Convertible bonds	0.0	0.0
	Other bond loans	0.0	0.0
	Bank borrowings	27,166.7	21,693.3
	Other borrowings and financial liabilities	3,809.5	4,185.8
	Advances and down-payments on orders in progress	106.0	248.0
	Trade payables and related accounts	6,041.0	8,296.7
	Tax and social security payables	2,363.3	2,448.5
	Payables to suppliers of fixed assets and related accounts	15.2	15.2
	Other payables	189.5	341.8
ACCRUAL ACCOUNTS	Deferred revenue	0.0	0.0
TOTAL (IV)		39,691.2	37,229.3
Unrealised exchange gains (V)		720.8	371.2
TOTAL (I to V)		68,712.1	69,512.1

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Notes to the separate parent company financial statements before the income appropriation for the year with total assets of €68,712,100 and an income statement presented in list form showing revenue of €25,371,700 and a loss of €3,416,900.

The financial period runs for twelve months from 1 January to 31 December 2020.

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 2020 were approved by the Board of Directors on 15 April 2021.

1. ANNUAL HIGHLIGHTS

The year 2020 was marked by the Covid-19 pandemic. After hitting the European continent in March, the epidemic spread to the rest of the world with certain countries experiencing major outbreaks, particularly in Latin America.

In response to this unprecedented health crisis, most governments adopted health measures establishing varying degrees of restrictions according to country including lockdowns, the closure of borders to foreign travellers and certain restrictions on trade.

In this context, on 24 February 2020, CIS Group activated its crisis unit to monitor the impact of Covid-19 and define information, prevention and protection policies in all its countries of operation. On this basis, from the beginning of the health crisis, the Group implemented and continues to apply rigorous measures to protect all of its teams while ensuring the continuity of services to its customers.

During the peak of the crisis, the Group observed more or less significant fluctuations in the workforce levels of certain customers. In the oil sector, a decrease in staffing levels was noted at some operating sites. In contrast, staffing levels at mining sites generally increased as quarantine measures were implemented in the sector; In addition, the Group introduced new services in the period to help its customers address emerging needs (hygiene and disinfection services).

Overall, the impact of the Covid-19 crisis on the Group has been limited thus far, highlighting its considerable resilience. For example, the effects of the crisis were offset by major negotiations and the optimisation of contracts during the period. Another factor that reduced its impact was its diversified customer base across different regions and industry segments. In addition, the Group was successful in achieving a very high contract renewal rate and signing new contracts in the period.

Finally, it should be noted that 2020 was impacted by significant exchange rate fluctuations in countries heavily affected by the Covid-19 crisis (notably Algeria, Brazil and Russia). This resulted in a negative currency effect on net financial expense of €6.6 million compared to a positive currency effect of €0.7 million in 2019.

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 2020.

Depreciation and amortisation periods for foreign operations are based on their useful lives defined according to the terms of the contracts.

Assets and accounting methods

The main accounting methods applied are as follows:

- **Intangible assets**

Intangible assets are comprised mainly of:

- ▶ Software amortised over 4 years;
- ▶ usufruct of offices amortised over 10 years;
- ▶ Non-compete clauses signed with partners amortised over 5 years.

- **Property, plant and equipment**

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

- **Depreciation**

Depreciation is calculated on a straight-line basis according to their useful lives.

Useful lives for these assets are as a general rule as follows:

- ▶ fixtures and improvements 10 years
- ▶ transport equipment 5 years
- ▶ office and computer equipment 3 years
- ▶ office furniture 5 years
- ▶ assets at foreign sites 2 to 5 years (according to the term of the contracts)

- **Financial assets**

Equity investments, as well as the other financial assets are recognised at their purchase price, excluding incidental expenses.

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

- **Inventories and work in progress**

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

Furthermore, values used are adjusted for risks of expiration associated with such inventories.

- **Receivables and payables**

Receivables and payables are recognised at face value.

A provision for impairment is recorded when the economic value or realisable value of a receivable is lower than the carrying amount.

- **Foreign currency transactions**

Receivables and payables in foreign currency are translated into euros at the closing exchange rate at the end of the reporting period.

Resulting translation differences are recorded in the balance sheet under “unrealised exchange losses and gains”. and a provision is recorded for the unrealised exchange losses.

- **Marketable securities**

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

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

Treasury shares held by CIS are recorded as marketable securities.

An impairment charge is recognised determined in reference to share price trends.

ADDITIONAL INFORMATION ON THE BALANCE SHEET AND THE INCOME STATEMENT

FIXED ASSETS - GROSS VALUES (€ thousands)

	Amount at the beginning of the financial year	Increase	Decrease	Amount at the end of the financial year
INTANGIBLE ASSETS				
Software	656.7	0.0	0.0	656.7
Goodwill	0.0	0.0	0.0	0.0
Other intangible assets	400.5	0.0	0.0	400.5
Non-compete clauses	2,300.0	0.0	0.0	2,300.0
Total	3,357.2	0.0	0.0	3,357.2
PROPERTY, PLANT AND EQUIPMENT				
Construction of living compounds	0.0	0.0	0.0	0.0
Plant, machinery and equipment	333.4	0.0	0.0	333.4
General equipment, fixtures and miscellaneous improvements	1,678.7	327.3	0.0	2,006.0
Transport equipment	1,043.6	21.7	0.0	1,065.3
Office and computer equipment	564.4	16.3	9.5	571.3
Tangible assets under construction	239.8	0.0	239.8	0.0
Total	3,859.9	365.3	249.3	3,975.9
FINANCIAL ASSETS				
Equity investments	11,063.5	151.9	12.3	11,203.2
Other fixed securities	0.5	0.0	0.0	0.5
Investment-related receivables	5,000.0	0.0	0.0	5,000.0
Loans	0.0	0.0	0.0	0.0
Deposits & security paid	87.3	8.6	5.0	90.9
Total	16,151.3	160.5	17.2	16,294.6
TOTAL	23,368.3	525.9	266.5	23,627.7

AMORTISATIONS (€ thousands)

	Amount at the beginning of the financial period	Increase	Decrease	Amount at the end of the financial period
INTANGIBLE ASSETS				
Software	601.3	23.7	0.0	625.0
Goodwill	0.0	0.0	0.0	0.0
Other intangible assets	302.8	39.4	0.0	342.3
Non-compete clauses	2,300.0	0.0	0.0	2,300.0
Total	3,204.1	63.2	0.0	3,267.3
PROPERTY, PLANT AND EQUIPMENT				
Construction of living compounds	0.0	0.0	0.0	0.0
Plant, machinery and equipment	309.2	20.4	0.0	329.6
General equipment, fixtures and miscellaneous improvements	1,389.0	90.6	0.0	1,479.5
Transport equipment	1,005.3	19.8	0.0	1,025.1
Office and computer equipment	523.7	23.2	9.0	537.9
Subtotal	3,227.2	154.0	9.0	3,372.2
TOTAL GÉNÉRAL	6,431.3	217.2	9.0	6,639.4

PROVISIONS (€ thousands)

	Amount at the beginning of the year	Increase	Decrease	Amount at the end of the year
PROVISIONS FOR CONTINGENCIES AND EXPENSES				
For disputes and negative net equity ⁽¹⁾	3,30.6	447.9	1,811.3	1,767.2
For foreign exchange losses	734.4	1,869.3	734.4	1,869.3
For pension and similar obligations	198.7	33.9	0.0	232.6
Total	4,063.7	2,351.1	2,545.7	3,869.1
PROVISIONS FOR IMPAIRMENT				
For equity investments	686.0	0.0	686.0	0.0
For trade receivables	382.2	264.9	117.3	117.3
For current accounts	6,066.0	103.0	1,752.0	4,417.0
For other receivables	0.0	0.0	0.0	0.0
For treasury shares	528.0	633.6	0.0	1,161.6
Total	7,662.2	736.6	2,702.9	5,695.9
TOTAL	11,725.9	3,087.7	5,248.6	9,565.0

⁽¹⁾ The reversal of €1,811,300 of which €1,113,100 was not used.

ACCOUNTS RECEIVABLE AND PAYABLE AGED TRIAL BALANCE (€ thousands)

RECEIVABLES	Gross amount	Of which up to a maximum of 1 year	Of which more than more than 1 year
NON-CURRENT ASSETS			
Equity investments	11,203.2		11,203.2
Investment-related receivables	5,000.0		5,000.0
Loans and other financial assets	0.5		0.5
Deposits & guarantees paid	90.9		90.9
CURRENT ASSETS			
Doubtful receivables	117.3	117.3	
Other trade receivables	2,717.8	2,717.8	
Employee and related receivables	41.7	41.7	
Government and other public authorities	936.1	936.1	
Group and partners ⁽²⁾	34,727.8	30,310.8	4,417.0
Supplier receivables	1.7	1.7	
Sundry debtors	0.0	0.0	
Other foreign tax receivables	0.0	0.0	
Accrued income	22.5	22.5	
Advances and instalments paid on orders	257.0	257.0	
Prepaid expenses	437.5	437.5	
TOTAL	55,554.0	34,842.4	20,711.6

⁽²⁾ of which €26,058,500 in dividends receivable: with respect to CNAS dividends, written down by €5,011,500 in the period to reflect the dinar's decrease in value, and amounting to €23,394,300 at 31.12.2020, the following should be noted: CNAS paid dividends to CIS SA in 2007, 2008 and 2009. The Bank of Algeria, considering that these transfers of funds were made in violation of laws and regulations governing foreign exchange and the movement of capital, initiated legal proceedings against the bank having executed said transfers and CNAS respectively. On 9 November 2016 the Court of Appeals of Algiers nevertheless rendered a definitive ruling dismissing this case, following its referral by the Algerian Supreme Court. On that basis, CNAS thereupon requested the Bank of Algeria to lift the restriction on the international transfer of the funds. This was request executed by a letter dated 15 February 2017. On 1 February 2017, the General Meeting of CNAS voted to distribute a dividend of DZD 4 billion and requested its bank to transfer the funds accordingly to CIS SA. The bank initiated the transfer and CNAS paid the corresponding withholding tax to the Algerian tax authorities. Despite the definitive ruling by the Algerian Supreme Court, the country's highest jurisdiction, the Bank of Algeria blocked the request to transfer the dividends by a decision dated 7 May 2017, in contradiction of the terms of its own letter of 15 February 2017. CNAS thereupon referred the matter to the Council of State to obtain the annulment of the decision of the Bank of Algeria and the authorisation to transfer the dividends, in accordance with the ruling of the Court of Appeals of Algiers in November 2016. By its decision of 14 November 2019, without ruling on the merits, the Council of State dismissed the petitions of CNAS, considering the appeal as time-barred on the grounds that it was introduced after the legal deadlines. A new application was in consequence initiated with another international bank which submitted it for prior approval by the Bank of Algeria. This application was on that basis submitted to the national bank's foreign exchange control division on 9 June 2020. This case is currently is still being processed by the competent authorities. The Group thus remains confident, as its situation with regard to the authorisation to transfer dividends to France, has been definitively judged and validated by Algeria's highest national courts who confirmed that we are fully entitled transfer dividends to France.

PAYABLES	Gross amount	Of which up to a maximum of 1 year	Of which more than more than 1 year
Borrowings	26,709.1	5,336.8	21,372.3
Bank overdrafts	457.7	457.7	
Group and partners	3,809.5	3,809.5	
Trade payables and related accounts	6,041.0	6,041.0	
Customer advances	211.9	211.9	
Employee-related and social security payables	2,118.5	2,118.5	
Government payables and equivalent	79.5	79.5	
Payables on fixed assets	15.2	15.2	
Shareholders, payment for capital increase	0.0	0.0	
Other foreign tax payables	165.3	165.3	
Other accrued expenses	83.6	83.6	
Deferred revenue	0.0	0.0	
TOTAL	39,691.3	18,319.0	21,372.3

ACCRUED EXPENSES (€ thousands)

Employee-related and social security payables	1,918.1
Government and other public authorities	54.4
Trade payables	3,163.6
Other financial liabilities	83.6
TOTAL	5,219.7

PREPAID EXPENSES (€ thousands)

Operating expenses	437.5
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CAPITAL STOCK

The share capital is comprised of 8,041,040 shares with a par value of €0.20 per share.

At 31 December 2020, the Company held 194,921 treasury shares for a gross amount of €3,149,800.

At 31 December 2019, 203,869 own shares recognised at €3,239,500 (gross value) were held in treasury.

<i>(In € thousands except shares)</i>	Number of shares	Capital	Reserves	Net income	TOTAL
EQUITY AT 31.12.2018	8,041 040	1,608.2	24,860.5	(659.9)	25,808.8
Net income appropriation of the prior year			(659.9)	659.9	
Payment of dividends			(964.9)		(964.9)
Net income for the financial year ended 31.12.2019				3,004.0	3,004.0
EQUITY AT 31.12.2019	8,041 040	1,608.2	23,235.7	3,004.0	27,847.9
Net income appropriation of the prior year			3,004.0	(3,004.0)	
Payment of dividends			0.0		0.0
Net income for the financial year ended 31.12.2020				(3,416.9)	(3,416.9)
EQUITY AT 31.12.2020	8,041 040	1,608.2	26,239.7	(3,416.9)	24,431.0

ANNUAL REVENUE BREAKDOWN (€ thousands)

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	18,506.4
Middle east	3,512.6
Commonwealth of independent states	2,721.6
Asia / Oceania	631.1
Americas	0.0
Total	25,371.7

CASH AND CASH EQUIVALENTS IN FOREIGN CURRENCIES

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

EXCEPTIONAL INCOME AND EXPENSES (€ thousands)

	Expenses	Income
Settlement differences, trade receivables, trade payables and third parties	(7.1)	14.8
Labour disputes & settlements	(105.3)	0.0
Customer & supplier disputes	(19.6)	0.0
Other Foreign Disputes & Losses on deliveries	0.0	0.0
Penalties on social charges for foreign operations	0.0	0.0
Changes in Group structure	(12.2)	0.0
Disposal or retirement of assets	(0.5)	0.0
TOTAL	(144.7)	14.8

BREAKDOWN OF INCOME TAX (€ thousands)

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	(3 362.8)	73.0	(3 289.8)
Exceptional income / (loss) (excl. profit sharing)	(129.9)	2.8	(127.1)
Accounting profit / (loss) (excl. profit sharing)	(3 492.7)	75.8	(3 416.9)

CAPITAL LEASES

None.

PROVISIONS FOR CONTINGENCIES

(Article 531-2/4 of the french general chart of accounts - *Plan comptable général* or PCG)

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

OFF-BALANCE SHEET COMMITMENTS (€ thousands)

Bank commitments given on 31 December 2020 amounted to €10,239,600 including €10,139,600 in guaranties given for our subsidiaries and namely:

- €3,138,000 for CIS Brésil,
- €3,032,700 for ACS Russie,
- €1,776,000 for ICS Cameroun,
- €1,222,400 for CSS Congo,
- €546,500 for CIS Bolivie,
- €311,400 for CIS Nacala Mozambique,
- €112,600 for CIS Yémen,

PENSION LIABILITIES

A provision of €232,600 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 2020, 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: 0.80% per year
- Separate mortality ratios based on distinct mortality tables for men and women
(Reference: Insee TD 2012-2016 Table)

DEBT GUARANTEED BY COLLATERAL

None.

EXECUTIVE COMPENSATION (€ thousands)

Management bodies.....	€622,300
• of which gross salary	€595,000
• of which benefits in-kind.....	€12,300
• of which attendance fees.....	€15,000
• other guarantees.....	€0

Attendance fees of other members of the Board of Directors €150,000

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: 577

France : 46

Other countries: 531

SUBSEQUENT EVENTS

None.

LIST OF SUBSIDIARIES

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):

REGION	Share capital (Closing Price)	Shareholders' Equity excluding Share Capital (Closing Price)	Gross carrying value of securities held (Historical Price)	Loans and advances granted and not yet repaid (Closing Price)	Guarantees and pledges given by the Company (Closing Price)	Sales for year ended (Average Price)	Annual Profit or Loss for the Year Ended (Closing Price)	Dividends received by the company during the year (Historical Price)
AFRICA	€106,300	€11,252,800	€1,324,000	€2,600,100	€3,309,800	€48,371,500	€3,254,000	€4,924,900
MIDDLE EAST / OCEANIA	229,200	(€744,900)	€157,500	€2,175,600	€112,600	€5,495,700	(€763,300)	€0,000
EURASIA	€123,400	€3,358,900	€113,600	€3,519,600	€3,032,700	€76,498,700	€3,976,400	€1,106,000
AMERICAS	€3,228,500	(€76,600)	€9,608,100	€228,000	€3,684,500	€16,667,000	(€1,936,300)	€0,000

FIVE-YEAR FINANCIAL HIGHLIGHTS AND OTHER STATUTORY DISCLOSURES

Nature of information	FY N-4 2016	FY N-3 2017	FY N-2 2018	FY N-1 2019	FY N 2020
CAPITAL STOCK AT YEAR-END					
Share capital	€1,608,200	€1,608,200	€1,608,200	€1,608,200	€1,608,200
Number of ordinary shares	8,041,040	8,041,040	8,041,040	8,041,040	8,041,040
Preferred non-voting stock	-	-	-	-	-
Maximum number of potential shares					
• from conversion of bonds	-	-	-	-	-
• from the exercise of subscription rights	-	-	-	-	-
OPERATIONS AND INCOME FOR THE YEAR					
Sales excluding tax	€23,051,800	€23,330,300	€23,844,000	€34,278,100	€25,371,700
Earnings before tax, profit-sharing, amortisation, depreciation and provisions	(€1,136,500)	€25,469,700	€1,693,600	€4,268,600	(€5,436,400)
Income tax	€786,200	€43,800	€109,200	€552,800	(€75,800)
Employee profit-sharing for the financial year	-	-	-	-	-
Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions	(€5,435,200)	€22,938,900	(€659,900)	€3,004,000	(€3,416,900)
Distributed earnings (in year N for N-1)	€964,900	€482,500	€884,500	€964,900	€0,000
EARNINGS PER SHARE					
Income after tax and employee profit-sharing but before depreciation allowances and provisions	(€0.24)	€3.16	€0.20	€0.46	(€0.67)
Earnings after taxes, employee profit-sharing, amortisation, depreciation and provisions	(€0.68)	€2.85	(€0.08)	€0.37	(€0.42)
Net dividend per share (distributed in year N for N-1)	€0.12	€0.06	€0.11	€0.12	€0.00
STAFF					
Average headquarters staff for the period	41	43	47	46	46
Annual payroll (headquarters and expatriate)	€10,199,300	€9,137,200	€5,813,800	€5,553,000	€5,688,300
Total social charges and benefits paid for the period (social security, charities, etc.)	€2,656,500	€2,699,500	€2,322,100	€2,223,200	€2,236,200



CIS

2020 Financial report



REPORT ON CORPORATE GOVERNANCE

This report on corporate governance was drawn up in accordance with the provisions of Article L. 225-37 of the French Commercial Code with the support of several of the Company's functional departments, and namely Legal Affairs, Finance, Human Resources and Internal Control.

This report was approved by the Board of Directors on 15 April 2021.

It includes disclosures relating to the composition of the administrative and management bodies, the rules governing the operation of these bodies and compensation paid to their members. The composition and operating procedures of corporate governance bodies are governed by the provisions of the law and the Company's articles of association and the rules of procedure of the Board of Directors and its committees.

I. Corporate governance

The Board of Directors refers to the corporate governance code established by Middlednext, which may be consulted at the Middlednext website (www.middlednext.com).

On the date of this report, the Company applied the recommendations of the Middlednext code, with the exception of a portion of recommendations 1 and 8 for the reasons indicated below.

Middlednext Code recommendations not followed by the Company:

Justification ("Comply or Explain" principle)

Recommendation 1:
Director ethics

To date, paragraph 7 of recommendation 1 relating to the presence of directors at the general meetings is not applied. However, the rules of procedure of the Board of Directors stipulates that directors shall undertake to participate in general meetings.
The Company otherwise follows all other principles presented under Recommendation¹ of the MiddleNext Code.

Recommendation 8:
The choice of each director

The biographies of the directors and information relating to those whose appointments or renewals are proposed to the General Meeting are presented to the shareholders within the framework of the communication and distribution of its Annual Report. However, this information is not provided by the Company online, except in the Annual Report available at its website.

II. Corporate governance bodies

2.1. THE EXERCISE OF EXECUTIVE MANAGEMENT

Since the Company's creation, the corporate governance model adopted has been that of a company with a Board of Directors.

Mr. Régis Arnoux, Founder of CIS, combines the functions of Chairman (*Président*) and Chief Executive Officer (*Directeur Général*). The General Meeting of 14 June 2019 renewed the office as director for a new term of three years and the Board renewed Mr. Régis Arnoux's office as Chairman of the Board of Directors.

Combining the offices of Chairman of the Board of Directors and Chief Executive Officer is considered to be in the interests of the Company, its proper functioning and efficiency of the decision-making process.

No restrictions have been placed on the powers of the Chairman and Chief Executive Officer. However, the latter convenes the directors to meetings on a regular basis to discuss with them the Company's operations, strategy and outlook.

In compliance with the recommendations of the AMF, the French financial market authority, and the Middledenext 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 Middledenext code;
- 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 composition and missions are described below in paragraph 2.3.

CIS' corporate governance was also strengthened on 17 June 2019 by the appointment of Yannick Morillon as Deputy Chief Executive Officer. Yannick Morillon, 46 years of age, is a graduate of the School of Business and Management of Lille (*École de Gestion et de Commerce de Lille* or EGC-CEPRECO) and has also completed two Executive Programs in Management and Leadership in the US at Stanford and Babson. Having worked in international markets and sensitive regions for most of his career and with extensive experience in the service sector, he brings a broad range of commercial, financial, operational and managerial expertise (Vinci group, Veolia Propreté, Geocoton).

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

In 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.

2.2. BOARD OF DIRECTORS

Composition of the Board

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

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

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

Last name, first name and office	Independent Director	1 st appointment	Term of appointment	Other appointments and functions exercised within CIS	Other appointments and functions exercised outside CIS
Régis Arnoux Chairman of the Board and Chief Executive Officer	No	05.02.1992	AGM approving the accounts for the period ended 31.12.2021	None	<ul style="list-style-type: none"> Chairman of FINRA (SAS). Managing Partner of SCI Immobilière Borély Managing Partner of SCI IMRA Managing Partner of SCI Phénix
Monique Arnoux Director	No	05.02.1992	AGM held to approve the financial statements for the year ending 31.12.2021	None	<ul style="list-style-type: none"> Managing Partner of SCEA Mas de Joussanes
Florence Arnoux Director	No	15.06.2010	AGM held to approve the financial statements for the year ending 31.12.2021	Strategy Committee member	<ul style="list-style-type: none"> Managing Partner of SCI Monceau Director of MEDEF International Director of EVOLLEN Director of MNCAP-AC Foreign Trade Advisor, Paris Office member, Climate, Diversity, Africa, Eurasia Committee Regional Attractiveness Coordinator, CCE IDF

Last name, first name and office	Independent Director	1 st appointment	Term of appointment	Other appointments and functions exercised within CIS	Other appointments and functions exercised outside CIS
Frédérique Salamon Director	No	05.02.1992	AGM held to approve the financial statements for the year ending 31.12.2021	<ul style="list-style-type: none"> Audit and Risk Committee member Strategy Committee member 	<ul style="list-style-type: none"> 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 31.12.2021	None	None
Cantos Ltd Director Permanent representative: Henri de Bodinat	Yes	Co-opted by the Board of Directors on 16.12.2016, Ratified by the General Meeting of 12.06.2017	AGM held to approve the financial statements for the year ending 31.12.2022	Henri de Bodinat is the Chair of the Strategy Committee	<ul style="list-style-type: none"> Chairman of Espérance SAS Director of MADvertise Director of Oslo Software Director of Zound Industries Director of AgriMarketPlace
Financière Lucinda Director Permanent representative: Sophie Le Tanneur de Rancourt	Yes	Co-opted by the Board of Directors on 16.12.2016, Ratified by the General Meeting of 12.06.2017	AGM held to approve the financial statements for the year ending 31.12.2021	<ul style="list-style-type: none"> Sophie Le Tanneur is a member of the Audit and Risk Committee Sophie Le Tanneur is a member of the Compensation Committee 	<ul style="list-style-type: none"> Director of Micropole SA Director of Glen Dimplex LLC
Frédéric Bedin Director	Yes	26.05.2011	AGM held to approve the financial statements for the year ending 31.12.2021	None	<ul style="list-style-type: none"> Chair of the Executive Board of Hopscotch Group (SA) Chairman of the Revital'Emploi not-for-profit organisation Member of the Supervisory Board of Sopexa (SA) Director of Fondation Entreprendre Member of the Supervisory Board of Global Technologies (SAS)
Marine Firminy Director Permanent representative: Pierre-François Forissier	Yes	13.06.2012	AGM held to approve the financial statements for the year ending 31.12.2020*	Pierre-François Forissier is the Chair of the Audit and Risk Committee	<ul style="list-style-type: none"> Director of HEOH (SA) Partner of SEA PROVEN (SAS)
Gonzague de Blignières Director	Yes	17.06.2014	AGM held to approve the financial statements for the year ending 31.12.2022	Compensation Committee member	<ul style="list-style-type: none"> Chairman of Raise Conseil (SAS) Chairman of Financière GdB (SAS) Chairman of Le Ponton (SAS) Director of Fondation Bettencourt-Schueller Director of United Way Alliance Director of Projet Imagine Honorary Chairman of the Réseau Entreprendre Paris Member of the support committee of the Espérance Banlieue, an organisation providing aid to youth in under-resourced urban areas
YLD Conseil Director Permanent representative: Yves-Louis Darricarrère	Yes	06.06.2016	AGM held to approve the financial statements for the year ending 31.12.2021	<ul style="list-style-type: none"> Yves-Louis Darricarrère is a Strategy Committee member Yves-Louis Darricarrère is a Compensation Committee member 	<ul style="list-style-type: none"> Senior Advisor of Lazard, Senior Advisor of Accuracy, Chairman of NHV (Belgium). Director of Ortec (SA). <p><i>Yves-Louis Darricarrère also holds the following positions and offices in his own name:</i></p> <ul style="list-style-type: none"> Director of Norwegian Energy Company (Norway), Supervisory Board member of Société Phocéenne de Participation (SA), Co-Chairman of the France-Kazakhstan Business Council Director of the France China Committee.

*With the term of office of this director expiring at the end of the annual Ordinary General Meeting of 17 June 2021, the Board of Directors proposed its renewal for a new term of three years.

Diversity and gender balance policy

The Board regularly assesses the composition of the Board and its committees as well as the different competencies and experiences offered by each director. Based on the orientations identified, the board conducts its evaluation with the objective of ensuring the best possible balance by seeking complementary profiles with respect to diversity and professional background in terms of nationality, gender, age as well as experience.

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

Finally, the Board is constantly committed to ensuring a balanced representation of men and women in its membership and that of its special committees. On that basis, the Board currently counts five women out of a total of eleven members, in compliance with the provisions of article L. 225-10-3 of the French Commercial Code.

Independent directors

The notion of an independent director is that used in the MiddleNext Code recommendation 3, and namely:

- ▶ they must not have been during the last five years an employee or executive officer of the Company or a company in its group;
- ▶ they must not have had any material business relationship with the Company or its group for the last two years (as a client, supplier, competitor, service provider, creditor, banker, etc.);
- ▶ they must not be a reference shareholder of the Company or hold a significant percentage of voting rights;
- ▶ they must not have a close relationship or close family ties with a corporate officer or a reference shareholder;
- ▶ they must not have been an auditor of the company in the course of the previous six years.

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

Terms of office

In accordance with Middlednext Code recommendation 9, the term provided for under the Company's articles of association was reduced to three years.

In addition, the renewal of the terms of office of directors has been staggered.

Conditions for the preparation and organisation of the work of the Board of Directors**Rules of procedure**

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

The rules of procedure stipulate notably that:

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

In compliance with Recommendation 7 of the Middleden 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 since 2017 that the Chairman-Chief Executive Officer has taken a number of measures to ensure his succession. To this purpose, in 2017, the Board created an ad hoc succession planning committee which presented its conclusions to the Board of Directors on 21 February 2018. All recommendations issued by this ad hoc committee are designed to secure the governance of CIS and the long-term viability of CIS Group and its shareholder base, notably by maintaining the Arnoux family's position as majority shareholder. In particular, it has been agreed that in the event of temporary or permanent incapacity of Mr. Régis Arnoux, the governance of FINRA, the Arnoux family holding company will be assured by Mrs. Frédérique Salamon, in the place of Mr. Régis Arnoux. This succession plan was reviewed and updated by the Board at its meeting on 2 July 2020.

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

Procedures for calling meetings and providing directors with information

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

The Statutory Auditors of the Company were invited to the meetings that reviewed and approved the interim and annual financial statements.

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

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

Evaluation of the Board's work

The Board adopted formalised procedures for the self-assessment of the Board's work in 2018. All CIS directors participated in this assessment.

As a general rule, its members considered the work of the Board to be satisfactory.

Board meetings

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

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

In 2020, the Board formally met six times and addressed notably the following items of business:

Date	Agenda items	Attendance rate
07.04.2020	<ul style="list-style-type: none"> • Covid-19 Crisis Committee update • Presentation of 2020 results • Cost reduction measures • Proposal to waive dividends for fiscal 2019 	100%
23.04.2020	<ul style="list-style-type: none"> • Review and approval of the separate annual and consolidated financial statements for the period ended 31/12/2019 • Update on the main impacts of the Covid-19 epidemic on the company's business and outlook • Review and adoption of preparatory documents for the General Meeting of 16/06/2020 • Proposal for the appropriation of net profit for fiscal 2019 • Review and approval of "regulated agreements" • Setting the annual amount of compensation granted to directors • Review and approval of the compensation policy for executive officers for fiscal 2019 • Review and approval of total compensation and benefits of any nature paid in or granted for fiscal 2019 to the Chief Executive Officer and the Deputy Chief Executive Officer • Review and approval of the compensation policy for the Chief Executive Officer and the Deputy Chief Executive Officer for fiscal 2020 • Proposal for renewing all offices about to expire • Proposal to amend the articles of association in accordance with the new provisions of the PACTE Law (Action Plan for Business Growth and Transformation) and its implementing decrees 	100%
28.05.2020	<ul style="list-style-type: none"> • Review and authorisation of a new agreement between the Company and "Financière Régis Arnoux" relating to the adoption of a new agreement for the provision of management and assistance services to replace the agreement approved by the Board on 16.04.2019 	100%
02.07.2020	<ul style="list-style-type: none"> • Update on the Company's management succession plan • Delegation of powers to Mr. Yannick Morillon, Deputy Chief Executive Officer 	100%
17.09.2020	<ul style="list-style-type: none"> • Review and approval of the interim financial statements for the six-month period ending 30.06.2020 	100%
19.11.2020	<ul style="list-style-type: none"> • Review and authorisation of a new agreement between the Company and "SCI Phénix" relating to the adoption of a commercial lease 	100%

The directors actively perform their missions and all directors were present at each of the Board meetings held in 2020. In parallel, in light of the development of the Covid-19 epidemic in 2020, as well as 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 2020.

2.3. SPECIAL COMMITTEES

CIS created three special committees to improve the governance:

- ▶ An Audit and Risk Committee;
- ▶ A Strategy committee;
- ▶ A Compensation Committee.

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

Audit and Risk Committee

The committee was created in 2010.

On 23 April 2020, the Board of Directors decided to change the name of the Internal Audit Committee to the Audit and Risk Committee (**ARC**).

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

- ▶ Ensuring oversight of the process of preparing financial information, before examination of the financial statements by the Board of Directors (reviewing of the interim and annual financial statements, reviewing the accounting methods and principles adopted to prepare these financial statements, by ensuring their applicability, reviewing the accounting and financial information and, in particular, the financial statements, to ensure the correct accounting treatment of these operations, ensuring that corrective measures have been effectively adopted in the case of dysfunctions in the process of preparing financial information).
- ▶ Monitoring the performance of internal control and risk management systems (evaluating internal control procedures and all measures adopted to remedy possible material dysfunctions in the area of internal control; examining the annual work program of the internal and external auditors; examining material risks and off-balance-sheet commitments, monitoring the efficacy of risk management systems and, in particular, the risk mapping). In this context, the Committee ensures the existence of these systems and this risk mapping, their deployment and the adoption of corrective measures when weaknesses or irregularities have been identified., reviewing on a periodic basis significant litigation, examining and providing its opinion to the Board of Directors on the report on corporate governance.
- ▶ Monitoring the work of the Statutory Auditors and ensuring their independence, making all recommendations on the Statutory Auditors put before the general meeting regarding their appointments or renewals and propose their compensation.
- ▶ Services that cannot be separated from the statutory auditing engagement, namely all work required to issue reports certifying the accounts and audit reports to be provided to the Ordinary General Meeting approving the financial statements do not need to be approved by the ARC, however the procedures of intervention are presented to it.
- ▶ Ensuring compliance with laws, regulations and recommendations applying to CIS and, in particular:
 - Determining the effectiveness of procedures designed to ensure compliance with the laws and regulations, analysing the conclusions of investigations of Management and ensuring oversight (including of disciplinary measures) in the case of infringements;
 - Analysing the conclusions of all investigations conducted by supervisory authorities and any comments issued by the auditors and ensuring the appropriate compliance measures are taken;
 - Taking into account the observations and conclusions of the High Council of Statutory Auditors (*Haut Conseil du Commissariat aux Comptes*) resulting from controls that may be exercised in application of articles L. 821-9 et seq. of the French Commercial Code;
 - Ensuring that CIS' Business Ethics Charter exists, is distributed and applied;
 - Ensuring the treatment of all information about possible problems of internal control or any problem of an accounting and financial nature, as applicable, by preserving the anonymity of whistleblowers.
 - Examining the procedures of CIS relating to the detection of fraud and the system for reporting ethical issues. Finally, CIS 's management has an obligation to inform the ARC 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 ARC 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 ARC shall provide all advice and formulate all appropriate recommendations in the above areas and may refer to outside experts as required, while ensuring their competency and independence.

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

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

In the performance of their duties, the Audit and Risk Committee members are not subject to any hierarchical or disciplinary authority within the company.

The ARC has regular exchanges with the Company's Statutory Auditors, notably in connection with the preparation of their reports.

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

Strategy committee

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

The Committee is tasked notably with the following missions:

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

On the date of this report, the Strategy Committee 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

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

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

On the date of this report, this Committee 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 of corporate officers

3.1. GENERAL PRINCIPLES FOR SETTING THE COMPENSATION OF CORPORATE OFFICERS

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

The annual compensation policy was discussed and adopted by the Board of Directors on 15 April 2021 on the recommendation of the Compensation Committee.

In compliance with the provisions of article L. 22-10-8 of the French Commercial Code, this compensation policy for corporate officers will be submitted to the vote of the General Meeting of the shareholders of 17 June 2021.

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

3.2. COMPENSATION POLICY FOR EXECUTIVE OFFICERS

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

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

The purpose of the compensation policy for executive officers of CIS is to:

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

At the date of this report, no performance share or stock option plans for executive directors were in force within the Company.

A resolution will be proposed to the General Meeting of Shareholders of 17 June 2021, whereby all powers would be conferred on the Board of Directors to award shares of the Company (restricted stock units or *actions gratuites*) to certain executive officers and, in particular, to Mr. Yannick Morillon, Deputy Managing Director, subject to performance conditions.

The specific restricted stock unit plan for the Chief Deputy Executive Officer defined by the Board of Directors will be established notably in reference to Middledenext Code recommendations.

In addition, there were no retirement plans for executive officers.

The following table provides selected information about the benefits of executive officers in 2020:

Executives and corporate officers	Employment contract		Supplemental retirement plan		Compensation or benefits due or likely to be payable because of or pursuant to the termination of service		Payments relating to non-compete clauses		Benefits in kind (vehicle)	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Monsieur Régis Arnoux Chairman and CEO		✗		✗		✗		✗	✗	
Monsieur Yannick Morillon Deputy Chief Executive Officer	✗			✗	✗ ⁽¹⁾			✗	✗	

⁽¹⁾ Compensation or benefits due or likely to be due upon termination or change of duties of Mr. Yannick Morillon will cease after acquiring 2 years of seniority, i.e. as of 18.06.21.

Compensation and benefits for executive officers

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

It is in CIS' corporate interest	Its amount is adapted to the size and complexity of CIS Group
It contributes to the Company's long-term development and is in line with its commercial strategy	Its amount is coherent with the resources available to the Group and its strategic development targets
It is largely subject to demanding performance conditions	Future performances are assessed in relation to past performances and, in that way, are grounded in reality
It is capped	<ul style="list-style-type: none"> ▶ The fixed amount is stable over the duration of the term of office ▶ The short-term variable portion is capped in relation to the fixed amount and each indicator corresponds to a capped bonus ▶ The long-term variable portion is capped at the time it is granted
It is balanced	It achieves a balance between: <ul style="list-style-type: none"> ▶ the short and long-term as a guarantee and alignment with the interests of shareholders; and ▶ the economic and financial performances and the implementation of the sustainable development policies.

3.2.1. Compensation policy applicable to Mr. Régis Arnoux, Chairman-Chief Executive Officer for fiscal 2021

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

On 15 April 2021, the Board of Directors adopted the principles and criteria for establishing the components of compensation of Mr. Régis Arnoux for 2021, on the recommendation of the Compensation Committee.

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

No significant changes have been made to the compensation policy of the Chairman-CEO for 2021.

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

Gross fixed annual compensation

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

Accordingly, the Board of Directors has decided to maintain the amount of fixed annual compensation for Mr. Régis Arnoux as Chairman-CEO Officer for fiscal 2021 at a gross amount of €342,000.

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

Variable compensation

Mr. Régis Arnoux does not receive variable compensation.

Benefits of any nature

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

Pension and personal protection benefits

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

Supplemental group health insurance scheme

Mr. Régis Arnoux benefits from the supplemental insurance plan available in the Company

Severance benefit

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

Long-term compensation

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

Non-compete clause

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

Directors' compensation

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

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

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

Employment contracts combined with a corporate office

In accordance with Middlednext Code recommendation 15, the Chairman-Chief Executive Officer does not combine his function of corporate officer with an employment contract

3.2.2. Compensation policy applicable to Mr. Yannick Morillon, Deputy Chief Executive Officer for fiscal 2021

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

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

At its last meeting, the Compensation Committee reviewed the components of the Deputy Chief Executive Officer's compensation and recognized his excellent performance, expertise and successful integration into CIS since assuming his functions. On that basis, the Compensation Committee proposed to the Board of Directors to increase the compensation of Mr. Yannick Morillon in order to take into account the above.

On 15 April 2021 the Board of Directors duly noted the recommendations of the Compensation Committee, indicated that it was in favour of the proposal to increase Mr. Yannick Morillon's compensation and proposed to discuss the detailed conditions of this increase at the next Board meeting to be held after the end of the six month reporting period for the interim financial statements.

It should be noted that in addition to serving as a corporate officer as Deputy CEO, he also has an employment contract as the Chief International Business Development Officer. The components of compensation associated with his employment contract are provided solely for information purposes and are in no way subject to the provisions of articles L. 22-10-4 and L. 22-10-8 of the French Commercial Code.

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

Gross fixed annual compensation

Subject to a duly justified individual increase for the reasons presented above and as proposed by the Compensation Committee, changes in the fixed annual compensation of Mr. Yannick Morillon are in line with the general salary increase applied by the Company in accordance with normal practice for companies of equivalent size.

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

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

On that basis, it is determined notably in reference to the following criteria:

- ▶ the level and complexity of the missions and responsibilities attached to this function;
- ▶ the competencies, experience, expertise and career of the person holding the position;
- ▶ analyses and market studies on the compensation of similar functions in comparable companies.

Variable compensation

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

For fiscal 2020, he will be granted maximum gross variable annual compensation of € 30.000 if all the objectives set for 2020 are achieved.

For fiscal 2019, in light of the health crisis, Mr Yannick Morillon voluntarily waived part of his variable remuneration. On that basis he was paid €7,500 corresponding to 50% of his minimum variable compensation for 2019.

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

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

Benefits of any nature

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

Pension and personal protection benefits

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

Supplemental group health insurance scheme

Mr. Yannick Morillon benefits from the supplemental insurance plan available in the company.

Severance benefit

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

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

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

Long-term compensation

In accordance with the terms of his corporate office, the compensation of the Deputy Chief Executive Officer is intended to be supplemented by a long-term component in the form of restricted stock units under a specific plan and for which it is proposed to the Extraordinary General Meeting of 17 June 2021, to grant full powers to the Board of Directors to grant shares of the company in the form of restricted stock units (*actions gratuites*) to the Deputy Chief Executive Officer.

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

Non-compete clause

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

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

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

Employment contracts combined with a corporate office

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

3.3. COMPENSATION POLICY FOR BOARD MEMBERS FOR FISCAL 2021

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

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

The total compensation paid in 2020 for fiscal 2019 to all members of the Board of Directors was limited to the maximum amount of €165,000 set by the General Meeting of the shareholders of 16 June 2020, it being specified that the directors previously agreed at the Board of Directors meeting of 23 April 2022 to a 25% reduction in the total amount allocated for their compensation for 2019.

In light of the significant contributions of each of Board member during 2020, it is proposed that the General Meeting of shareholders to be held on 17 June 2021, set the compensation for directors payable in 2021 for fiscal 2020 at €220,000.

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

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

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

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

IV. Components of compensation paid in or granted for fiscal 2020

4.1. COMPONENTS OF COMPENSATION PAID IN OR GRANTED FOR FISCAL 2020 TO EXECUTIVE OFFICERS

Summary of compensation granted to executive officers

<i>In € thousands</i>	2020	2019
RÉGIS ARNOUX, CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
Compensation paid for the year	€342,000	€342,000
Measurement of stock options granted in the period	N/A	N/A
Valuation of performance shares granted in the period	N/A	N/A
YANNICK MORILLON, DEPUTY CHIEF EXECUTIVE OFFICER		
Compensation paid on the basis of his corporate office for the fiscal year	€66,000	€36,000
Compensation paid under his employment contract	€154,000	€83,000
Measurement of stock options granted in the period	N/A	N/A
Valuation of performance shares granted in the period	N/A	N/A

4.1.1. Components of compensation paid in or granted for fiscal 2020 to Mr. Régis Arnoux, Chairman-Chief Executive Officer

Information on the compensation paid or granted to Mr. Régis Arnoux for fiscal 2020 is provided in the tables presented below.

The different components of compensation have been determined in compliance with the compensation policy for the Chairman-CEO, approved by the shareholders at the General Meeting of 16 June 2020.

Summary of compensation paid or granted to the Chairman-CEO

<i>(Gross annual amounts)</i>	2020			2019		
	Amounts due for fiscal 2020	Amounts paid	Paid vs. % Total paid	Amounts due for fiscal 2019	Amounts paid	Paid vs. % Total paid
RÉGIS ARNOUX, Chairman and CEO						
Fixed compensation	€342,000	€342,000	100%	€342,000	€342,000	100%
Variable compensation	N/A	N/A	N/A	N/A	N/A	N/A
Directors' compensation	€15,000	€15,000	100%	€20,000	€20,000	100%
Long-term compensation	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in kind	€6,260	€6,260	100%	€9,324	€9,324	100%
Total	€363,260	€363,260	100%	€371,324	€371,324	100%

The General Meeting of the shareholders of 17 June 2021 will be called to vote on the draft resolution relating to fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted for 2020 to Mr. Régis Arnoux (8th resolution), Chairman-CEO, as presented below:

Mr. RÉGIS ARNOUX, Chairman and Chief Executive Officer

Components of compensation paid or granted for fiscal 2020	Amounts	Comments
Gross annual compensation	€342,000	Growth fixed compensation for fiscal 2020 as approved by the Annual General Meeting on 16 June 2020
Variable compensation	N/A	Not applicable
Benefits of any nature	€6,260	Mr. Arnoux benefits from the use of a company car
Pension and personal protection benefits	N/A	Not applicable
Severance benefit	N/A	Not applicable
Directors' compensation	€15,000	As director and Chairman of the Board of Directors of CIS, Mr. Arnoux receives director's compensation determined by the General Meeting and allocated by the Board of Directors
Long-term compensation	N/A	Not applicable
Other compensation or benefits due or that may be due by Group companies, on the basis of his office	N/A	Not applicable

4.1.2. Components of compensation paid in or granted for fiscal 2020 to Mr. Yannick Morillon, Deputy Chief Executive Officer

Information on the compensation paid or granted to Mr. Yannick Morillon for fiscal 2020 is provided in the tables presented below:

Summary of compensation paid or granted to the Deputy CEO

(Gross annual amounts)	2020			2019 (17.06.2019 to 31.12.2019)		
	Amounts due for fiscal 2020	Amounts paid	Paid vs. % Total paid	Amounts due for fiscal 2019	Amounts paid	Paid vs. % Total paid
YANNICK MORILLON, Deputy Chief Executive Officer						
Fixed compensation ¹	€66,000	€66,000	100%	€35,750	€35,750	100%
Variable compensation ¹	€0 to €30,000	To be determined	To be determined	€15,000 to €30,000	€7,500	50%
Directors' compensation	N/A	N/A	N/A	N/A	N/A	N/A
Long-term compensation ¹	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in kind ¹	€6,000	€6,000	100%	€3,250	€3,250	100%
Fixed compensation ²	€154,000	€154,000	100%	€83,417	€83,417	100%
Variable compensation ²	€0 to €70,000	To be determined	To be determined	€35,000 to €70,000	€25,500	73%
Long-term compensation ²	N/A	N/A	N/A	N/A	N/A	N/A
Benefits in kind ²	N/A	N/A	N/A	N/A	N/A	N/A
Total	€226,000	€226,000	100%	€172,417	€155,417	90%

¹ For serving as officer of the company - ² Under his employment contract

In accordance with provisions of article L. 22-10-8 of the French Commercial Code, the General Meeting of the shareholders of 17 June 2021 will be called to vote on the draft resolution relating to fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted in 2020 to Mr. Yannick Morillon (9th resolution), on the basis of his office as Deputy Chief Executive Officer, as presented below:

Mr. YANNICK MORILLON, Deputy Chief Executive Officer

Components of compensation paid or granted for fiscal 2020	Amounts	Comments
Gross annual compensation	€66,000	Growth fixed compensation for fiscal 2020 as approved by the Annual General Meeting on 16 June 2020
Variable compensation	€0 to €30,000 subject to achievement of the results linked to fixed objectives	Gross variable portion linked to objectives
Benefits of any nature	€6,000	Mr. Yannick Morillon benefits from the use of a company car in his capacity as corporate officer
Pension and personal protection benefits	N/A	Not applicable
Severance benefit	N/A	Not applicable
Directors' compensation	N/A	Not applicable, not a director
Long-term compensation	€0	<p>The compensation of the Deputy Chief Executive Officer is destined to be supplemented by a long-term component involving stock awards as part of a specific plan that will be implemented and linked to predefined performance conditions.</p> <p>On condition that (i) Mr. Yannick Morillon exercises his office as Deputy CEO of CIS (ii) has not submitted his resignation before 31 December 2020 (iii) Mr. Morillon submitted a (5) Five-Year Business Plan the Company to the Board of Directors so that the latter and definitively approve this plan no later than 31 March 2021, the Company undertakes that the Board of Directors will propose to the General Meeting of CIS called to approve the financial statements for the period ended 31 December 2020 to be held no later than 30 June 2021, to (i) authorise the implementation of a restricted stock unit plan (<i>plan d'actions gratuites</i>) for the benefit of Mr. Yannick Morillon and (ii) delegate all authority and power to the Board of Directors to define the detailed procedures of this plan and determine the corresponding conditions of performance.</p> <p>It is specified that the number of shares that may be granted to Mr. Morillon will be subject to satisfying the conditions of presence and performance defined by the Board of Directors and may not exceed 1.5% of the Company's share capital.</p>
Other compensation or benefits due or that may be due by Group companies, on the basis of his office	N/A	Not applicable
Fixed compensation under his employment contract	€154,000	

Mr. YANNICK MORILLON, Deputy Chief Executive Officer

Components of compensation paid or granted for fiscal 2020	Amounts	Comments
Variable compensation under his employment contract	€0 to €70,000 subject to achievement of the results linked to fixed objectives	
Long-term compensation under his employment contract	N/A	
Benefits in kind under his employment contract	N/A	

4.1.3. Fair pay ratio between the level of compensation of the executive officers and the average and median compensation of French employees of CIS SA

The following presentation has been made in accordance with Article L. 22-10-9 paragraph 6 and 7 of the French Commercial Code, as amended by Ordinance No. 2019-1234 of 27 November 2019.

The table, in accordance with Article L. 22-10-9 paragraph 6 of the French Commercial Code, shows the level of compensation of the corporate officers, i.e. Régis Arnoux and Yannick Morillon, compared with average compensation on a full-time equivalent basis of the employees (excluding the officers) and the median compensation of the full-time employees (excluding the officers) of CIS SA in France, as well as the evolution of this ratio over the last five financial years.

The following ratios are calculated on the basis of the fixed and variable compensation of executive managers paid in the periods indicated below;

	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Chairman and Chief Executive Officer	348,260	351,324	351,324	351,324	253,324
Ratio on average compensation	5.4	5.2	5.3	5.6	4.0
Ratio on median compensation	7.3	6.9	7.3	7.9	5.2
Deputy Chief Executive Officer	79,500	35,750	149,683	142,744	58,068
Ratio on average compensation	1.2	1.0	2.7	2.3	1.7
Ratio on median compensation	1.7	1.3	3.8	3.2	2.2

4.2. COMPENSATION PAID IN 2020 TO NON-EXECUTIVE DIRECTORS FOR FISCAL 2019

Total compensation paid to directors in 2020 and allocated for fiscal 2019, amounted to €165,000, divided equally between the directors (i.e. €15,000 per director), as proposed by the General Meeting of Shareholders of 16 June 2020, it being specified that the directors previously agreed at the Board of Directors meeting of 23 April 2022 to a 25% reduction in the total amount allocated for their compensation for in 2019.

In light of the significant contributions of each of Board member during 2020, it is proposed that the General Meeting of shareholders to be held on 17 June 2021, set the compensation for directors payable in 2021 for fiscal 2020 at €220,000.

In addition, for fiscal 2020, no additional compensation was allocated to directors as members of the Strategic Committee and Compensation Committee;

Compensation paid to each director in 2020 was as follows:

- ▶ FINRA, Director: €405,000 for rental payments and €15,000 for attendance fees.
- ▶ Monique Arnoux, Director: €15,000 for directors' attendance fees.
- ▶ Florence Arnoux, Director: €165,000 for wages and directors' attendance fees.
- ▶ Frédérique Salamon, Director: €20,000 for attendance fees as a member of the Board of Directors and the Audit and Risk Committee.
- ▶ CANTOS Ltd, Director: €15,000 for directors' attendance fees.
- ▶ Financiere Lucinda, Director: €20,000 for attendance fees as a member of the Board of Directors and the Audit and Risk Committee.
- ▶ Frédéric Bedin, Director: €15,000 for directors' attendance fees.
- ▶ Marine Firminy, Director: €20,000 for attendance fees as a member of the Board of Directors and the Audit and Risk Committee.
- ▶ Gonzague de Balignieres, Director: €15,000 for directors' attendance fees.
- ▶ YLD Conseil, Director: €15,000 for directors' attendance fees.

4.3. CIS SHARES HELD BY CORPORATE OFFICERS

i. Shares held by directors and officers

In accordance with the Company's articles of association, each director must hold at least one (1) CIS share (except for the director representing employee shareholders and directors representing employees).

ii. Dealings in company shares by officers and directors of the company and those persons mentioned in article L.621-18-2 of the French monetary and financial code

The following directors and officers of the Group subject to the obligation of self-reporting dealings in the Company's shares in 2020, and on the date of this report, declared the following transactions:

<i>(In number of shares)</i>	Period	Purchases	Disposals
No movements	N/A	N/A	N/A

4.4. STOCK OPTIONS, PERFORMANCE SHARES AND LONG-TERM INCENTIVE PLANS

Excluding the project to distribute restricted stock units (*actions gratuites*) to Mr. Yannick Morillon, Deputy CEO through a specific restricted stock unit plan to be put into place in 2021 subject to fulfilment of the aforementioned conditions, no other stock option or restricted stock unit plans have been implemented by the Company.

V. Draft resolutions on the compensation of executive officers subject to approval by the general meeting of 17 june 2021

SEVENTH RESOLUTION

Approval of the report on officer compensation for the period ended

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on corporate governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 225-34 II of this same code, the disclosures relating to the compensation of executive officers referred to in article L. 22-10-9 of said code presented therein.

EIGHTH RESOLUTION

Approval of the components of total compensation and benefits of any nature paid or granted in 2020

Mr. Régis Arnoux, Chairman and Chief Executive Officer

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on corporate governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 22-10-34 II of this same code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted for 2020 to the Chairman-CEO, Mr. Régis Arnoux, as presented herein.

NINETH RESOLUTION

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted to Mr. Yannick Morillon, Deputy Chief Executive Officer

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on corporate governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 225-34 II of this same code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted for 2020 to the Deputy CEO, Mr. Yannick Morillon, as presented herein.

TENTH RESOLUTION

Approval of the compensation policy for executive officers for fiscal 2021

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on corporate governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 225-8 II of this same code, the compensation policy for executive officers for fiscal 2021 as described herein.

ELEVENTH RESOLUTION

Approval of the compensation policy for directors for fiscal 2021

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on corporate governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 22-10-8 of this same code, the compensation policy for directors for fiscal 2021 as described herein.

VI. Related party transactions

This information is provided in note 19 to the consolidated financial statements for the period ended 31 December 2020.

VII. Summary of delegations of authority with respect to capital increases and other authorisations given to the board of directors

	Shareholders' meeting date	Maturity	Authorised amount
Share buyback programme	16.06.2020	15.12.2021	€ 14.071.820 10% of the share capital
Authorisation to grant restricted stock units by repurchasing existing shares or issuing new shares	N/A	N/A	N/A

VIII. Items with potential impacts in connection with public offerings

Factors that may have an impact in the event of public offers on the securities of CIS are presented below:

- Structure of CIS share capital: information on the share capital is provided in section VIII of the management report. In this regard, we remind you that the founder and Chairman of CIS, Mr. Arnoux, holds both directly and indirectly through Finra of which he is a majority partner, 48.6% of the shares and 58.4% of the voting rights.
- Article 13.2 of CIS' articles of association provides for the existence of a double voting right.
- Finally for the record, a shareholders' agreement exists between the Arnoux and the Aloyan families executed on 31 may 1998 for an initial term of 15 years and modified by an amendment agreement of 20 July 2005. It is specified that unless terminated by one of the parties subject to a notice period of six months, this agreement is subject to tacit renewal by successive one-year periods. This agreement provides notably that (i) a clause defining the unrestricted transfers, (ii) reciprocal rights of pre-emption between the parties in the event of the transfer of CIS shares to a third-party, (iii) a joint exit clause in favour of the Aloyan family in the event of a transaction entailing the loss of the Arnoux family's majority stake in CIS' share capital and voting rights, (iv) compulsory buy-sell provision available to the Arnoux family in the case where a third-party acquires at least 90% of the company's share capital for a price equal to €50 million where Mr. Régis Arnoux has accepted the offer and (v) a non-compete clause between the parties;

It should be noted that the Arnoux and Aloyan families hold 5,457,215 CIS shares representing 10,914,430 voting rights, or 67.9% of the capital and 81.5% of the voting rights of this company.

IX. Procedures relating to the participation of shareholders in general meetings

The General Meeting comprises all of the shareholders, regardless of the number of shares they hold. The rules and conditions for the participation of shareholders in general meetings are provided again in each meeting notice, in accordance with applicable provisions of the law, regulations and the articles of association and notably article 21 of the articles of association reproduced below.

The General Meeting meets at least once a year and is materially accessible to all shareholders.

ARTICLE 21 - GENERAL MEETINGS

21.1. Preliminary remarks

Decisions by shareholders are made in General Meetings.

Ordinary General Meetings shall be those that are held to vote on decisions that do not amend the articles of association or the nationality of the Company.

Extraordinary General Meetings shall be those called to decide or authorise direct or indirect amendments to the articles of association or the nationality of the Company.

Deliberations by the General Meetings are binding on all shareholders even if they are absent, dissenting or incapacitated.

21.2. Record of attendance - Committee - Minutes

1. General Meetings are convened by the Board of Directors, or, failing that, by the Auditors, or by any person duly empowered for this purpose.

General Meetings are to be held at the registered office or at any other venue indicated in the notice of meeting.

Before holding a shareholders' meeting, the Company is required to publish a meeting notice at least thirty-five days before the meeting in the "Bulletin des Annonces Légales Obligatoires", containing the information mentioned in article R. 225-73 of the French Commercial Code.

General shareholders' meetings are called by a notice placed in a publication for legal announcements in the department of the registered office in addition to the French national publication for legal announcements (Bulletin des Annonces Légales Obligatoires or B.A.L.O.) at least fifteen clear days before the date of the Meeting.

Shareholders holding registered shares for at least one month from the date of publication of the notice of meeting will be called to attend any meeting by ordinary mail, even if they have not so requested.

The meeting notice must be sent by registered letter to those shareholders having so requested and provided the Company with the amount corresponding to the registered mail costs.

Joint owners of indivisible shares are called to meetings in the same manner. When shares are held in usufruct, the party holding the voting right is called in the same manner and under the same conditions.

In addition, in compliance with article R. 225-73-1 of the French Commercial Code, the supporting documents to the General Meeting will be available on the Company's website by the 21st day preceding the meeting which shall include notably the meeting agenda and resolutions.

When the Meeting was unable to validly conduct proceedings due to the absence of the required quorum, the second Meeting, and where applicable, the postponed second meeting, are called at least ten days in advance in the same manner as for the first Meeting.

- 2. The public notices of a meeting and the notice of call of meeting shall include the information provided for by law and notably the meeting agenda, the Company's electronic address to which the shareholders' written questions may be sent and, as applicable, the mention of the obligation to obtain the opinion or prior approval of the holders of securities giving access to the share capital.*

The Meeting may only deliberate on the items on the agenda. It may however revoke one or more directors in any circumstances;

One or more shareholders representing the percentage of capital required by law, may in accordance with legal requirements and within applicable time limits, request the inclusion of proposed resolutions on the agenda.

In accordance with the provisions of articles R. 225-71 to R. 225-74 of the French Commercial Code, requests by shareholders to add draft resolutions to the agenda and written questions are sent to the registered office by registered letter with return receipt as from the publication date of the meeting notice and until twenty-five days before the General Meeting or twenty-five days as from the publication of the meeting notice, when published more than forty-five days before the General Meeting date (date of receipt of the request by the Company which is taken into account).

Requests for adding an item to the agenda must be justified. The request to add draft resolutions is accompanied by a draft text that may be accompanied a brief description of the reasons. Such requests shall be subject to the provision of proof of ownership or representation of the percentage of capital required by regulation.

In addition, in accordance with the provisions of article L.2323-67 paragraph 2 of the French labour code, requests for including draft resolutions by the works council, when such committee exists, shall be sent within ten days from the publication of the meeting notice.

- 3. Every shareholder shall have the right to take part in General Meetings and in deliberations personally or by proxy, regardless of the number of shares held, on presentation of proof of identity and of share ownership. Evidence of the right to take part in General Meetings shall be shown by an entry in the accounts of the securities held in the name of the shareholder or the intermediary registered on his behalf, on the second working day prior to the General Meeting at midnight CET, or in the accounts of registered securities held by the company, or in the accounts of bearer securities held by an authorised intermediary. The record of shares in the accounts maintained by the authorised intermediary for bearer shares must be evidenced by a participation certificate (attestation de participation) issued by the latter, which must be attached to the voting form or the proxy or the request for an admission card (carte d'admission) established in the name of the shareholder or the registered intermediary on their behalf. A certificate is also issued to shareholders wishing to personally attend the Meeting who have not received their admission card on the second business day preceding the Meeting by midnight (CET).*

Any shareholder may be represented by any other individual or legal entity of his or her choice in accordance with the conditions provided for by articles L. 225-106 to L. 225-106- 3 of the French Commercial Code, and to that purpose, must possess a proxy in writing.

The legal representatives of shareholders who are legally incapacitated and natural persons representing legal entities may participate in the Meetings, regardless of whether or not they are shareholders themselves.

4. Any shareholder may vote by mail using a form completed and sent to the Company under the conditions provided for by law and regulations and that must be received by the Company no later than 3 days before the Meeting date to be taken into account.

Distance voting by an electronic voting form or by proxy given by an electronic signature shall be exercised in accordance with regulations in force.

5. All shareholders may also participate in General Meetings via videoconferencing or other means of telecommunications according to the conditions provided for by law and regulations which are to be mentioned in the meeting notice.

6. If applicable, two members of the works council, appointed by the council under the conditions provided for by law, may attend the General Meetings. They must be heard, if they so request, in respect of all actions requiring the unanimous vote of the shareholders.

7. An attendance sheet containing the information required by law is drawn up for each Meeting.

8. The Meetings are chaired by the Chair of the Board of Directors or by the longest serving director attending the Meeting. Failing this, the shareholders' meeting appoints its own Chairman.

Vote counting shall be performed by two shareholders who are present and accept such duties, representing, either on their own behalf or as proxies, the greatest number of votes.

The meeting officers shall name a secretary, who does not have to be a shareholder. Meeting minutes are drawn up and copies or excerpts (short form certificates) are issued and certified in accordance with the law.

21.3. Quorum – Vote – Number of votes

1. The quorum is calculated on the basis of the total number of shares making up the share capital, after deducting shares legally deprived of voting rights.

In the case of distance voting, only those forms received by the Company before the Meeting in accordance with the conditions and deadlines established by decree, are counted in calculating the quorum.

2. Voting rights attached to the shares are proportional to the percentage of share capital such shares represent. At equal nominal value, each share of capital stock owned or possessed carries one vote.

3. For pledged shares, the voting right is exercised by the owners of the shares. The issuing Company is not authorised to vote using shares it has subscribed for, acquired or accepted as security and such shares are not taken into account in calculating the quorum.

4. Votes are cast by a show of hands, by standing or by a roll call according to the decision of the Meeting's officers.
5. Decisions by the shareholders' Meeting are expressed on the basis of a majority vote of shareholders present or represented. Votes expressed do not include those attached to shares for which the shareholder has not participated in the vote, has abstained or returned a blank or invalid vote.

21.4. Ordinary General Meeting

An Ordinary General Meeting shall meet at least once per year, within six months of the close of the fiscal year, to approve the accounts of that fiscal year, subject to extension of this deadline by decision of a court of law.

The Ordinary General Meeting can validly conduct proceedings after the first notice of meeting, only if shareholders present, represented or voting by mail hold at least one-fifth of the shares with voting rights.

Upon the second convocation, no quorum is required. Decisions are made by a majority of votes held by the shareholders present or represented, including by shareholders voting by mail.

21.5. Extraordinary General Meeting

The Extraordinary General Meeting can modify all provisions of the articles of association and namely decide on the transformation of the company into a Company with another non-trading or commercial company form. It may not, however, increase shareholder commitments, except for properly executed transactions resulting from a share consolidation.

The Extraordinary General Meeting shall be authorised to validly conduct business, pursuant to the first meeting notice, only if all shareholders present, represented, or voting by mail represent at least one quarter of the shares carrying voting rights and, pursuant to the second call, one fifth of the shares with voting rights. If the latter quorum is not reached, the second Meeting may be postponed to a date no later than two months after the date for which it was called.

Decisions are made on the basis of a two thirds majority of shareholders present or represented or shareholders having voted by mail.


21.6. Shareholders' right to obtain information

All shareholders are entitled to access to documents necessary to allow them to have full knowledge of relevant facts and make informed judgements about the management and oversight of the Company.

The nature of these documents and the procedures for their transmission by mail or making them available are defined by applicable regulations.

*Done in Marseille
15 April 2021*

THE BOARD OF DIRECTORS



THE ANNUAL ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 17 JUNE 2021




Agenda

AGENDA FOR THE ORDINARY GENERAL MEETING

- ▶ Board of Directors' and Auditors' reports;
- ▶ Approval of the separate financial statements for the year ended 31 December 2020 and grant of discharge to directors (1st resolution);
- ▶ Approval of the consolidated financial statements for the year ended 31 December 2020 (2nd resolution);
- ▶ Appropriation of net profit for the period ending 31 December 2020 (3rd resolution);
- ▶ Approval of agreements and commitments entered into and or authorised by the Company and included in the Auditors' special report in accordance with articles L. 225-38 *et seq.* of the French Commercial Code (4th resolution);
- ▶ Setting the annual amount of compensation granted to directors for fiscal 2019 (5th resolution);
- ▶ Renewal of the appointment as director of Marine Firminy, represented by Admiral Pierre-François Forissier (6th resolution);
- ▶ Approval of the report on officer compensation for the period ended (7th resolution);
- ▶ Approval of the fixed, variable or exceptional components of total compensation and benefits of any nature paid in or granted for fiscal 2020 to Mr. Régis Arnoux, Chairman-Chief Executive Officer) (8th resolution);
- ▶ Approval of the fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted for fiscal 2020 to Mr. Yannick Morillon, Deputy Managing Director (9th resolution);
- ▶ Approval of the compensation policy for executive officers for fiscal 2021 (10th resolution) ;
- ▶ Approval of the compensation policy for directors for fiscal 2021 (11th resolution) ;
- ▶ Renewal of the authorisation given to the Board of Directors to deal in the Company's shares (12th resolution);
- ▶ Powers for legal formalities pursuant to the Ordinary General Meeting (13th resolution).

AGENDA FOR THE EXTRAORDINARY GENERAL MEETING

- ▶ Board of Directors' report on the resolutions submitted to the Extraordinary General Meeting;
- ▶ Statutory Auditors report on the authorisation to award existing shares or shares to be issued;
- ▶ Authorisation to the Board of Directors to grant existing or new shares, with cancellation of the shareholders' preferential subscription rights, to the Company's executive officers (14th resolution) ;
- ▶ Powers for legal formalities pursuant to the Extraordinary General Meeting (15th resolution).;



THE ANNUAL ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 17 JUNE 2021

- ▶ Presentation of the reasons for the resolutions proposed by the Board of Directors

To the shareholders,

The purpose of this document is to present you the reasons for the resolutions submitted to the Annual Ordinary and Extraordinary General Meeting in accordance with article L. 225-115 3° of the French Commercial Code. The General Meeting of 17 June 2021 has accordingly been called mainly for the purpose of:

- (i) Approving the annual and consolidated financial statements for the periods ended 31 December 2020, as adopted by the Board of Directors;
- (ii) Appropriating the profit for the year ended 31 December 2020;
- (iii) Approving the regulated agreements;
- (iv) Setting and approving the annual amount of compensation granted to directors for fiscal 2020
- (v) Renewing the office of a director whose term is expiring;
- (vi) Approving the report on officer compensation for the period ended;
- (vii) Approving the fixed, variable or exceptional components of total compensation and benefits of any nature paid in or granted for fiscal 2020 to Mr. Régis Arnoux, Chairman-Chief Executive Officer
- (viii) Approving of the fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted for fiscal 2020 to Mr. Yannick Morillon, Deputy Managing Director;
- (ix) Approving the compensation policy for executive officers for fiscal 2021;
- (x) Approving the compensation policy for directors for fiscal 2021;
- (xi) Renewing the authorisation given to the Board of Directors to deal in the Company's shares;
- (xii) Delegating authority to the Board of Directors to award shares of the Company by purchasing existing shares or issuing new shares for the benefit of executive officers.

I. Ordinary resolutions

1. APPROVAL OF THE SEPARATE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

1st and 2nd resolutions

It is requested that you (i) approve the separate annual financial statements of the Company and the consolidated financial statements of CIS Group for fiscal 2020 and (ii) grant discharge to the directors for their management.

- ▶ The separate annual financial statements of the Company show a net loss of €3,416,860.65.
- ▶ The consolidated financial statements show a net profit attributable to equity holders of the parent of €2,621,814.

2. PROFIT AND LOSS APPROPRIATION

3rd resolution

The Board of Directors proposes that the net loss for 2020 of €3,416,860.65 be allocated to "Other reserves" which would be thus reduced to €21,161,311.03.

3. REGULATED AGREEMENTS

4th resolution

The purpose of this resolution is to submit to your approval the regulated agreements entered into in 2020 as described in the Auditors' special reports as referred to in articles L. 225-38 *et seq.* of the French Commercial Code.

4. APPROVAL OF THE ANNUAL AMOUNT OF COMPENSATION GRANTED TO DIRECTORS FOR FISCAL 2020

5th resolution

The purpose of this resolution is to submit to your approval, after considering the Board of Directors' report on corporate governance, the amount of compensation granted to directors for fiscal 2020.

5. RENEWAL OF A DIRECTOR'S TERM THAT IS EXPIRING

6th resolution

The office of the director of MARINE FIRMINY represented by Admiral Pierre-François Forissier will expire at the end of the next General Meeting of 17 June 2021.

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 2023.

6. APPROVAL OF THE REPORT ON OFFICER COMPENSATION FOR THE PERIOD ENDED

7th resolution

The purpose of this resolution is to submit to your approval, after considering the report on Corporate Governance referred to in article L. 225-37 of the French Commercial Code, the disclosures mentioned in article L. 22-10-9 of said code presented herein.

7. APPROVAL OF THE COMPONENTS OF TOTAL COMPENSATION AND BENEFITS OF ANY NATURE PAID OR GRANTED TO EXECUTIVE OFFICERS IN FISCAL 2020

8th resolution

The purpose of this resolution is to submit for your approval, in application of article L. 22-10-34 II of the French Commercial Code and after considering the report on Corporate Governance referred to in article L. 225-37 of said code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted in 2020 to the Chairman-CEO, Mr. Régis Arnoux, as presented herein.

9th resolution

The purpose of this resolution is to submit for your approval, in application of article L. 22-10-34 II of the French Commercial Code and after considering the report on Corporate Governance referred to in article L. 225-37 of said code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted for 2020 to the Deputy CEO, Mr. Yannick Morillon, as presented herein.

8. APPROVAL OF THE COMPENSATION POLICY FOR EXECUTIVE OFFICERS AND DIRECTORS FOR FISCAL 2021

10th and 11th resolutions

The purpose of these resolutions is to submit for your approval, in application of article L. 22-10-8 of the French Commercial Code and after considering the report on corporate governance, the compensation policy for executive officers and directors for fiscal 2021 as described herein.

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

12th resolution

The general meeting held on 16 June 2020, 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. 22-10-6 et seq. 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 15 December 2021.

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 2020 for the purpose of maintaining an orderly market in its shares.

At 31 December 2020, the Company held 194,921 own shares in treasury compared with 203,869 shares at 31 December 2019.

II. Extraordinary resolutions

10. AUTHORISATION TO THE BOARD OF DIRECTORS TO GRANT EXISTING OR NEW SHARES, WITH CANCELLATION OF THE SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS, TO THE COMPANY'S EXECUTIVE OFFICERS;

14th resolution


Having considered the Board of Directors' report to the Extraordinary General Meeting, the compensation of the Deputy CEO is destined to be supplemented by a long-term component through stock awards as part of a specific plan and linked to performance conditions that will be defined by the Board of Directors.

On this basis, we propose that you adopt the resolution proposed which describes the content of the delegation of authority to be granted to the Board of Directors.

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

Done in Marseille
15 April 2021

THE BOARD OF DIRECTORS



THE ANNUAL ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 17 JUNE 2021

- ▶ The Board of Directors' report to the Extraordinary General Meeting

To the shareholders,

We have called this Extraordinary General Meeting to consider the following items on the agenda:

- Authorisation to the Board of Directors to grant existing or new shares, with cancellation of the shareholders' preferential subscription rights, to the Company's executive officers (14th resolution) ;

AUTHORISATION TO THE BOARD OF DIRECTORS TO GRANT RESTRICTED STOCK UNITS FROM EXISTING OR NEW SHARES, WITH CANCELLATION OF THE SHAREHOLDERS' PREFERENTIAL SUBSCRIPTION RIGHTS, TO THE COMPANY'S EXECUTIVE OFFICERS

The Board reminds the General Meeting that restricted stock units (*actions gratuites* or free shares) may be awarded to corporate officers and employees of the Company or, under certain conditions, to corporate officers and employees of companies of the Group.

On 16 May 2019, the Board determined that the compensation of Yannick Morillon, Deputy CEO of the Company was destined to be supplemented by a long-term component through possible restricted stock unit awards as part of a specific plan and linked to performance conditions to be defined by the Board of Directors.

In consequence, we ask you to authorise your Board of Directors to grant shares of the Company, in accordance with Articles L. 225-197-1 et seq. of the French Commercial Code, in the form of restricted stock units (*actions gratuites*) to the Company's executive officers and in particular, to Mr. Yannick Morillon, Deputy Chief Executive Officer, within the limit of 1.5% of the Company's share capital and to grant the Board of Directors all powers to set the conditions and, if applicable, the criteria for allocating these restricted stock units.

The grant of these restricted stock units will be subject to fulfilment of one or more of the performance conditions defined by the Board of Directors.

Shares will become fully vested following a minimum vesting period (*période d'acquisition*) of one (1) year followed by an obligation by the beneficiary to holding shares for a period to be set by the Board of Directors, it being specified that the combined duration of the vesting period and the holding period (*période de conservation*) may not be less than two (2) years.

In the event of a decision by the Board of Directors to grant new restricted stock units, this authorisation shall entail, where applicable, as and when they become fully vested, a capital increase through the capitalisation of reserves, profits or issue premiums in favour of the beneficiaries of restricted stock units and the express waiver by the shareholders of (i) their preferential subscription right to the corresponding shares, and (ii) the part of the reserves, profits or premiums which shall be capitalised.

To this purpose, we ask you to authorise the Board of Directors to increase the capital of the Company by the corresponding amount.

In consequence, we ask the General Meeting to give full powers to the Board of Directors, with the power of sub-delegation to the extent authorised by law, to implement the delegation of authority and in particular in order to:

- (i) Determine whether the grants of restricted stock units (*attributions d'actions gratuites*) shall be made from new or existing shares;
- (ii) Determine the identity of the beneficiaries as well as the number of shares granted to each;
- (iii) But determine terms, conditions and procedures of the restricted stock unit plan(s) within the limits of this authorisation;
- (iv) Determine the effects on the rights of beneficiaries, of corporate actions modifying the share capital out during the vesting period and, in consequence, modify or adjust as necessary the number of shares granted to preserve the rights of beneficiaries;
- (v) Set the terms and conditions and determine the criteria, dates and procedures for share grants, in particular the minimum vesting period (*période d'acquisition*), as well as, where applicable, the length of the required holding period (*période de conservation*) for each beneficiary, record the final grant dates and the dates from which the shares may be freely transferred, in light of the legal restrictions, and generally take all useful measures and conclude all agreements to ensure the successful completion of the proposed share grants;
- (vi) In the event of the issue of new shares, to charge, where applicable, against the reserves, profits or issue premiums of its choice, the sums necessary to pay up the said shares, to increase the capital by capitalisation of reserves or issue premiums to carry out the share issue, record completion of the capital increases pursuant from this authorisation, make the corresponding amendments to the Articles of Association and, in general, carry out all necessary acts and formalities;
- (vii) Set the conditions, including any performance conditions required for vesting, and, if applicable, the criteria for the grant of the shares;
- (viii) Determine or modify the length of the vesting and holding periods for such shares within the limits of this authorisation;
- (ix) Provide for the possibility of temporarily suspending right to grant shares under the conditions provided for by applicable law and regulations;
- (x) Decide, if applicable, to register the restricted stock units to be granted in a registered account in the name of their holder, specifying, if applicable, the lock-up provisions and their duration, and to lift such lockup restrictions where permitted under this resolution or the applicable regulations;
- (xi) And more generally, in accordance with the laws in force, take all steps necessary to implement this authorisation.

We remind you that the final terms and conditions of the transactions carried out by virtue of the authorisation granted to the Board of Directors will be the subject of a supplementary report, in accordance with the provisions of Article L. 225-129-5 of the French Commercial Code to be produced by the Board of Directors when exercising this delegation of authority granted by the General Meeting.

This authorisation, which would render ineffective in the future any previous delegation of powers for the same purpose, shall be granted to the Board of Directors for a period of twenty-six (26) months from the date of the Extraordinary General Meeting of 17 June 2021.

Done in Marseille
15 April 2021

THE BOARD OF DIRECTORS

THE ANNUAL ORDINARY AND EXTRAORDINARY GENERAL MEETING OF 17 JUNE 2021

- ▶ **Text of draft resolutions**

I. Ordinary resolutions

FIRST RESOLUTION

Approval of the separate parent company financial statements for the year ended 31 December 2020

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary shareholders' meetings, after considering the reports of the Board of Directors and the Statutory Auditors, approve the separate annual financial statements for the fiscal year ended 31 December 2020 including the balance sheet, income statement and notes thereto, as presented, as well as the transactions reflected in these accounts and summarised in these reports, showing a net loss of €3,416,860.65.

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 2020

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary shareholders' meetings, after considering the reports of the Board of Directors and the Statutory Auditors, approve the consolidated financial statements for the fiscal year ended 31 December 2020 including the balance sheet, income statement and notes thereto, as presented, as well as the transactions reflected in these accounts and summarised in these reports, showing a net loss of €2,621,814.

THIRD RESOLUTION

Appropriation of earnings for the financial year ended 31 December 2020

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, decide to allocate the net loss of 2020 amounting to 3,416,860.65 to "Other reserves" which will accordingly be reduced to €21,161,311.03.

The shareholders duly note as required by law dividends amounts distributed for the last three financial periods:

	2017	2018	2019
Number of shares entitled to dividends	8,041,040	8,041,040	8,041,040
Net dividend per share	€0.11	€0.12	€0.00
Closing share price at year-end	€16.99	€16.99	€13.30

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, voting in accordance with quorum and majority rules for ordinary general meetings, having considered the auditors' special report on agreements covered by article L.225-86 of the French Commercial Code, approve this report and the agreements mentioned therein and duly note the information provided on agreements entered into in prior periods which remained in force in the period ended, and also mentioned in this special report.

FIFTH RESOLUTION

Setting the annual amount of compensation granted to directors for fiscal 2019

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, having considered the Board of Directors' report on corporate governance, decide to allocate a total amount of €220,000 to members of the Board of Directors for fiscal 2020.

SIXTH RESOLUTION

Renewal of Marine Firminy's term as director

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings and after considering the Board of Directors' report, decide to renew the term office of MARINE FIRMINY, represented by Admiral Pierre-François Forissier, 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 2023.

SEVENTH RESOLUTION

Approval of the report on officer compensation for the period ended

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on Corporate Governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 225-34 II of this same code, the disclosures relating to compensation of executive officers mentioned in article L. 225-37-3 I therein.

EIGHTH RESOLUTION

Approval of the components of total compensation and benefits of any nature paid or granted in 2020

Mr. Régis Arnoux, Chairman and Chief Executive Officer

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on Corporate Governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 225-34 II of this same code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted for 2020 to the Chairman-CEO, Mr. Régis Arnoux, as presented herein.

NINETH RESOLUTION

Approval of the fixed, variable and exceptional components of the total compensation and benefits of any nature paid or granted to Mr. Yannick Morillon, Deputy Chief Executive Officer

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on Corporate Governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 225-34 II of this same code, the fixed, variable and exceptional components of the total compensation and benefits of any nature paid in or granted for 2020 to the Deputy CEO Mr. Yannick Morillon, as presented herein.

TENTH RESOLUTION

Approval of the compensation policy for executive officers for fiscal 2021

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on Corporate Governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 225-8 II of this same code, the compensation policy for executive officers for fiscal 2021 as described herein.

ELEVENTH RESOLUTION**Approval of the compensation policy for directors for fiscal 2021**

The shareholders, voting in accordance with quorum and majority rules for ordinary general meetings, after considering the report on Corporate Governance referred to in article L. 225-37 of the French Commercial Code, approve, in application of article L. 225-8 II of this same code, the compensation policy for directors for fiscal 2021 as described herein.

TWELFTH RESOLUTION**Renewal of the authorisation given to the Board of Directors to deal in the Company's shares**

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, after considering the Board of Directors' report:

- ▶ **authorise** the Board of Directors, with the option to further delegate this authority under the conditions provided by law, for a period of eighteen (18) months from this date, to acquire shares of the Company in accordance with the provisions of articles L. 225-10 *et seq.* of the French Commercial Code, of the European Regulation No.°596/2014 of 16 April 2014, Commission Delegated Regulation No.°2016/1961 of 8 March 2016, 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.

THIRTEENTH RESOLUTION

Powers for legal formalities pursuant to the Ordinary General Meeting

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to ordinary general meetings, delegate all powers to the holder of a copy or short-form certificate of this document to carry out formalities that may be required by law.

II. Extraordinary resolutions

FOURTEENTH RESOLUTION

Authorisation to the Board of Directors to grant restricted stock units from existing or new shares, with cancellation of the shareholders' preferential subscription rights, to the Company's executive officers

The shareholders, voting in accordance with quorum and majority rules for extraordinary general meetings, after considering the Board of Directors' report and the Statutory Auditors' special report, in accordance with articles L. 225-197-1 *et seq.* of the French Commercial Code:

- **authorise** the Board of Directors to proceed, in accordance with Articles L. 225-197-1 *et seq.* of the French Commercial Code and under the conditions defined in this resolution, with grants of restricted stock units from existing or future shares of the Company, on one or more occasions, to the beneficiaries that it shall determine from among the executive officers of the Company and/or of the companies affiliated to it within the meaning of Article L. 225-197-2 of the French Commercial Code under the conditions defined below;
- **resolve** that the total number of restricted stock units that may be granted by virtue of this resolution may not represent more than 1.5% of the Company's share capital on the date of the Board of Directors' grant decision, it being specified that in any event the total number of restricted stock units may not exceed the limits set by Articles L. 225-197-1 *et seq.* of the French Commercial Code;
- **resolve** that grants made under this resolution may be subject to achievement of one or more performance conditions defined by the Board of Directors;
- **resolve** that shares awarded to the beneficiaries will be fully vested at the end of a vesting period set by the Board of Directors of at least one (1) year;
- **resolve** that the Board of Directors shall determine the vesting and holding periods respectively, it being specified that the combined length of these two periods may not be less than two (2) years;
- **acknowledge** that in the event of a grant of restricted stock units from new shares, this authorisation shall entail, where applicable, as and when they become fully vested, a capital increase through the capitalisation of reserves, profits or issue premiums in favour of the beneficiaries of restricted stock units and the express waiver by the shareholders of (i) their preferential subscription right to the corresponding shares, and (ii) the part of the reserves, profits or premiums which shall be capitalised. To this purpose, the shareholders authorises the Board of Directors to increase the share capital of the Company, if necessary, by the corresponding amount;

► **grant all powers** to the Board of Directors, with the power of sub-delegation to the extent authorised by law, to implement the present delegation of authority and in particular to:

- (i) Determine whether the grants of restricted stock units (*attributions d'actions gratuites*) shall be made from new or existing shares;
- (ii) Determine the identity of the beneficiaries as well as the number of shares granted to each;
- (iii) But determine terms, conditions and procedures of the restricted stock unit plan(s) within the limits of this authorisation;
- (iv) Determine the effects on the rights of beneficiaries, of corporate actions modifying the share capital out during the vesting period and, in consequence, modify or adjust as necessary the number of shares granted to preserve the rights of beneficiaries;
- (v) Set the terms and conditions and determine the criteria, dates and procedures for share grants, in particular the minimum vesting period (*période d'acquisition*), as well as, where applicable, the length of the required holding period (*période de conservation*) for each beneficiary, record the final grant dates and the dates from which the shares may be freely transferred, in light of the legal restrictions, and generally take all useful measures and conclude all agreements to ensure the successful completion of the proposed share grants;
- (vi) In the event of the issue of new shares, to charge, where applicable, against the reserves, profits or issue premiums of its choice, the sums necessary to pay up the said shares, to increase the capital by capitalisation of reserves or issue premiums to carry out the share issue, record completion of the capital increases pursuant from this authorisation, make the corresponding amendments to the Articles of Association and, in general, carry out all necessary acts and formalities;
- (vii) Set the conditions, including any performance conditions required for vesting, and, if applicable, the criteria for the grant of the shares;
- (viii) Determine or modify the length of the vesting and holding periods for such shares within the limits of this authorisation;
- (ix) Provide for the possibility of temporarily suspending right to grant shares under the conditions provided for by applicable law and regulations;
- (x) Decide, if applicable, to register the restricted stock units to be granted in a registered account in the name of their holder, specifying, if applicable, the lock-up provisions and their duration, and to lift such lockup restrictions where permitted under this resolution or the applicable regulations;
- (xi) And more generally, in accordance with the laws in force, take all steps necessary to implement this authorisation.

► **acknowledge** that the final terms and conditions of the transactions carried out by virtue of this authorisation will be the subject of a supplementary report, in accordance with the requirements of Article L. 225-129-5 of the French Commercial Code to be produced by the Board of Directors when exercising this delegation of authority granted by the General Meeting;

► **resolve** that this authorisation, which invalidates for the future any previous delegation with the same purpose, is granted to the Board of Directors for a period of twenty-six (26) months from the date of this General Meeting.

FIFTEENTH RESOLUTION

Powers for legal formalities pursuant to the Extraordinary General Meeting

The shareholders, acting in accordance with the quorum and majority voting requirements applicable to extraordinary general meetings, delegate all powers to the holder of a copy or short-form certificate of this document to carry out formalities that may be required by law.

STATUTORY AUDITORS' REPORTS

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Financial year ended 31 December 2020

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 2020

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, 2020 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 our report.

Independence

We conducted our audit in compliance with independence rules applicable to us, for the period from January 1, 2020 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, CNAS.

Justification of assessments - Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the preparation and audit of the consolidated financial statements of this period were carried out under specific conditions. Specifically, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Certain measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

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

Measurement of goodwill

Identified risk

In connection with its development, the Group made a targeted acquisitions (in Algeria and Brazil) resulting in the recognition of goodwill.

This goodwill corresponding to the positive difference between the acquisition cost of the securities of the acquiree and the fair value of the assets, liabilities and contingent liabilities on the acquisition date, is allocated to the Cash Generating Unit (CGU) corresponding to the country in which the acquisition is integrated. This allocation is coherent with the internal organisation established by the Group where CGUs are defined at the country level.

Management ensures for each financial period that the carrying value of goodwill recognised in the balance sheet in the amount of €12.1 million is not greater than the recoverable value and does not present a risk of impairment. However, any unfavourable change in expected returns from the businesses to which goodwill has been allocated, due to internal or external factors, for example, those related to the economic or regulatory environment in which the business operates, could significantly impact the recoverable value and require the recognition of an impairment charge. A change of this nature will require a reassessment of the relevance of all assumptions adopted to determine this value as well as the reasonable and coherent nature of the calculation parameters.

The procedures used to test for impairment are described in note 2, chapter "Intangible assets" and detailed information on the assumptions adopted are presented in note 8 to the consolidated financial statements; The recoverable value was determined in reference to value in use calculated from the present value of estimated future cash flows expected to arise from the group of assets making up the business.

Risque identifié

The determination of the recoverable value of goodwill is largely based on management judgments, consisting notably of budget data, the rate of growth used to estimate future cash flows and the corresponding discount rate applied.

For that reason we considered the valuation of the goodwill as a key audit matter.

**Responses
as part of
our audit**

We assessed the compliance of the methodology applied by the company with applicable accounting standards.

We also performed a critical examination of the manner in which this methodology was implemented and verified in particular:

- the exhaustive nature of the components of the CGUs tested and the consistency of the determination of this amount with the manner that the estimated future cash flows were determined for value in use;
- the reasonable nature of the estimated future cash flows in relation to the economic and financial environment in which the subsidiaries constituting the CGU operate and the reliability of the processes for producing estimates by examining the causes for the differences between forecasts and actual amounts.
- the consistency of these estimated future cash flows with the latest estimates of management as presented to the board of directors in connection with the budget process;
- the consistency of the growth rate used for the estimated future cash flows with analysis of the market and consensus of the main market players;
- the calculation of the discount rate applied to estimated future cash flows expected from the CGU, by verifying the different discounting parameters making up the weighted average cost of capital (debt ratio, risk free rate, market premium, the beta of capital employed, the “specific” risk premium and the borrowing costs) in order to compare the rate of return that participants in the market would currently require from such a business;
- analysis of the sensitivity of value in use adopted by management to a change in the main assumptions.
- Finally, we verified that notes 2 and 8 to the consolidated financial statements provided appropriate information.

Specific procedures

As required by French law and regulations, we also performed the specific verifications in accordance with professional standards applicable in France, of the information presented in the management report of the Board of Directors.

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

We attest that the consolidated non-financial statement required by article L. 225-102-1 of the French Commercial Code is included in the information presented in the Group management report, it being specified that, in accordance with the provisions of article L. 823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein which should be reported on by an independent assurance services provider.

Other verifications or information required by law and regulations

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the Statutory Auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements to be included in the consolidated financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Managing Chairman, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that markups for disclosures in these consolidated financial statements comply with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the consolidated financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

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 2020, Audit Conseil Expertise was in its 5th period and SYREC in its 15th 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 the entity.

As part of an audit in accordance with professional standards applicable in France, we exercise professional judgment throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, we modify our opinion;
- ▶ Evaluate the overall presentation of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities included in the consolidation scope to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

Report to the audit 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.

Done in Marseille
15 April 2021

THE STATUTORY AUDITORS

French original signed by:

Cabinet SYREC

Luc-René CHAMOULEAU

Audit Conseil Expertise, SAS
Member of PKF International

Guy CASTINEL

STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Financial year ended 31 December 2020

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 2020.

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 2020 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 in accordance with the French Commercial Code (*code de commerce*) and the French code of ethics for statutory auditors, for the period from January 1, 2020 to the issue date of our report and in particular we did not provide any non-audit services prohibited by Article 5(1) of Regulation (EU) No. 537/2014.

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, CNAS, in the amount of €23,394,000.

Justification of assessments - Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the preparation and audit of the consolidated financial statements of this period were carried out under specific conditions. In particular, this crisis and the exceptional measures taken in connection with the public health emergency have resulted in multiple consequences for companies, particularly for their business, their financing, as well as increased uncertainties about their future outlook. Certain measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

In this complex and evolving environment, in accordance with the requirements of articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring your attention to the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the annual financial statements of the current period, as well as our responses to those risks.

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

Measurement of equity interests

Identified risk

Equity interests, representing a net amount of €11,203,000 at 31 December 2020, 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 constituted a key audit point

**Responses
as part of
our audit**

To assess the reasonable nature of the estimate of value in use of the equity interests, based on the information provided to us, our work has consisted mainly in verifying that the estimate of these values by management is based on an appropriate justification of the methods of evaluation and the quantitative data used and in consequence:

For the assessments based on historic data:

- ensuring that the shareholders equity applied is consistent with the accounts of the entities subject to audit or analytical procedures and that adjustments made, as applicable, to this equity capital are based on supporting documentation.

For the assessments based on forward-looking data:

- obtaining the cash flow forecasts and operating forecasts for the activities of the entities concerned produced by their operational divisions and assess their consistency with the forward-looking data based on the latest strategic plans, produced under the supervision of their executive management for each of these businesses and approved, when applicable, by the Board of Directors;
- verifying the consistency of assumptions adopted with the economic environment on the balance sheet date and the date the financial statements were produced;
- comparing the forecasts used for prior periods with actual results in order to assess the achievement of past objectives;
- verifying that the value resulting from the cash flow forecasts has been adjusted to reflect the amount of debt held by the entity in question.

In addition to assessing the values in use of the equity interests, our work has also consisted in:

- assessing the recoverable nature of related receivables (notably current accounts) with respect to analysis performed of the equity interests;
- verifying the recognition of a provision for contingencies in cases where the company has undertaken to incur the losses of a subsidiary with negative equity.

Specific procedures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and other documents addressed to shareholders with respect to the financial position and the 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.441-6 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. 225-37-4, L. 22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L. 225-10-9 of the French Commercial Code relating to compensation and benefits paid or granted to corporate officers and any other commitments made in their favour, we have verified their consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies that control the company or that the company controls and included in the consolidation scope. On the basis of this work, we certify that these disclosures are accurate and fairly stated.

Concerning the information relating to items that your company considers may have an impact in the case of a takeover bid or a public exchange offer provided in application of the provisions of L. 22-10-11 of the French Commercial Code, we have verified their consistency with relevant source documents. Based on this work, we have no matters to report in connection with the information given.

Other disclosures

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verifications or information required by law and regulations

Format of presentation of the annual financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the annual financial statements to be included in the annual financial report mentioned in Article L. 451-1-2 of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No. 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the annual financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

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 2020, Audit Conseil Expertise was in its 5th period and SYREC in its 15th 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 annual financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease its operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and, where applicable, its internal audit, regarding the accounting and financial reporting procedures.

These annual financial statements were adopted by the Board of Directors.

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

Objective and audit approach

Our role is to issue a report on the annual financial statements. Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified by article L. 823-10-1 of the French Commercial Code ("*code de commerce*"), the scope of our statutory audit does not include assurance on the future viability of the Company or the quality with which Company's management has conducted or will conduct the affairs of the entity.

As part of an audit in accordance with professional standards applicable in France, we exercise professional judgment throughout the audit.

We also:

- ▶ Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If we conclude that a material uncertainty exists, we draw attention in our audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or inadequate, we issue a qualified opinion or no opinion at all;
- ▶ Evaluate the overall presentation of the annual financial statements and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Report to the audit 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.

Done in Marseille
15 April 2021

THE STATUTORY AUDITORS

French original signed by:

Cabinet SYREC

Luc-René CHAMOULEAU

Audit Conseil Expertise, SAS
Member of PKF International

Guy CASTINEL

STATUTORY AUDITORS' REPORT ON REGULATED AGREEMENTS

Financial year ended 31 December 2020

This is a free translation into English of a report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the General Meeting of Catering International & Services,

In our capacity as Statutory Auditors of your Company, we hereby report on regulated agreements and commitments.

The terms of our engagement do not require us to identify such other transactions, if any, but to communicate to you, based on information provided to us, the principal terms and conditions and the reasons justifying their interest for the company of those agreements brought to our attention or discovered in the performance of our engagement, without expressing an opinion on their merits. It is your responsibility, pursuant to article R. 225-31 of the French Commercial Code to assess the interest involved in respect of the conclusion of these agreements with a view to their approval.

In addition, we are required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (*Code de Commerce*) concerning the implementation, during the year ended, of the agreements already approved by the General Meeting of the Shareholders.

We performed procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie nationale des Commissaires aux Comptes*) relating to this engagement. These standards require that we ensure that the information provided to us is consistent with the relevant source documents.

Agreements submitted for approval to the general meeting

Agreements approved and entered into in the period ended

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

1. 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 28 May 2020, your company concluded an agreement for the provision of coordination and assistance services with SAS FINRA, which entered into effect on 1 January 2020. This agreement was concluded for a 12 month period running from 1 January to 31 December 2020, subject to tacit renewal for successive 12 month periods. SAS FINRA will assist your company in the development of financial, operational and business policies, strategy, HR organisation and communication. In return for services rendered, your company will pay SAS FINRA a fixed fee of €150,000 excluding tax, plus any additional remuneration in the event of recourse to external consultants, calculated on the basis of costs incurred plus 10%.

This agreement cancels and replaces the previous agreement authorised by your Board of Directors on 16 April 2019.

For fiscal 2020, under the terms of this agreement, expenses of €164,910 excluding tax were recognised for fees.

Reasons justifying the interest for the company

To provide for the implementation of a global and coherent policy within CIS group.

2. Lease agreement between CIS and SCI PHENIX

Related party

Régis Arnoux, Chairman of the Board of Directors of CIS and Managing Partner of SCI PHENIX.

Description

Pursuant to the authorisation of the Board of Directors of 19 November 2020, your company concluded a commercial lease for office space with SCI PHENIX, for premises located at 40 C avenue de Hambourg 13008 Marseille, in the “LES BUREAUX BORELY” property complex, building B, including parking spaces. This lease entered into effect on 1 November 2020 for annual rent of €29,898 excluding taxes.

For fiscal 2020, under the terms of this agreement, expenses of €4,956 were recognised for rental payments excluding charges.

Reasons justifying the interest for the company

To reorganise CIS head office teams in an optimal manner and provide for its strategic development by the addition of new persons.

Agreements already approved by the general meeting

Agreements approved in prior periods

A. AGREEMENTS THAT REMAINED IN FORCE DURING THE PERIOD ENDED

Pursuant to article R. 225-30 of the French Commercial Code, we have been informed that the following agreements, previously approved by shareholders’ meetings of prior years, remained in force during the year.

1. Lease agreement between CIS and SCI BORELY

Related party

Régis Arnoux, Chairman of the Board of Directors of CIS and Managing Partner of SCI BORELY.

Description

Pursuant to the authorisation of the Board of Directors of 16 September 2015, your company concluded a commercial lease for office space with SCI BORELY, for premises located at 40 C avenue de Hambourg 13008 Marseille, in the “LES BUREAUX BORELY” property complex, building C, including parking spaces. This 12-year lease entered into effect on 15 September 2015 for annual rent of €32,000 excluding taxes.

For fiscal 2020, under the terms of this agreement, expenses of € 33,036 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 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 9-year lease entered into effect on 1 May 2018 for annual rent of €45,360 excluding taxes.

For fiscal 2020, under the terms of this agreement, expenses of €46,932 were recognised for rental payments excluding charges.

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 D/E on the first floor, including parking spaces. This 9-year lease entered into effect on 1 May 2018 for annual rent of €87,120 excluding taxes.

For fiscal 2020, under the terms of this agreement, expenses of €90,139 were recognised for rental payments excluding charges.

4. Lease agreement between CIS and SAS FINRA

Related party

Régis Arnoux, Chairman of the Board of Directors of CIS and Chairman of SAS FINRA.

Description

Pursuant to the authorisation of the Board of Directors of 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 9-year lease entered into effect on 1 May 2018 for annual rent of €99,360 excluding taxes.

For fiscal 2020, under the terms of this agreement, expenses of €102,803 were recognised for rental payments excluding charges.

5. Undertakings on behalf of the Deputy CEO

Related party

Mr. Yannick Morillon, Deputy CEO of CIS.

Description

On 16 May 2019, your Board of Directors appointed Mr. Yannick Morillon as the Deputy Chief Executive Officer of CIS and made on his behalf the following undertaking:

In the event of the removal of the Deputy Chief Executive Officer from his office without cause before a period of two years from the start of his term, Mr. Yannick Morillon will receive a gross fixed and definitive total compensation in the amount of €66,000 or one year of gross compensation.

In addition, this Board of Directors duly noted the conclusion with Mr. Yannick Morillon of an employment contract as Chief International Business Development Officer and on that basis undertook vis-à-vis the latter the following:

In the event of dismissal by terminating his employment contract before a period of two years from the start of his term, Mr. Yannick Morillon will receive a gross fixed and definitive total compensation (including the legal severance payment) in the amount of €154,000 or one year of gross compensation.

B. AGREEMENTS NOT PERFORMED IN THE PERIOD ENDED

1. Service agreement between the companies CIS and MARINE FIRMINY

Related party

The company MARINE FIRMINY, member of the Board of Directors of CIS.

Description

Pursuant to the authorisation of the Board of Directors of 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 2020, under the terms of this agreement, no expense was recorded.

Done in Marseille
15 April 2021

THE STATUTORY AUDITORS

French original signed by:

Cabinet SYREC

Luc-René CHAMOULEAU

Audit Conseil Expertise, SAS
Member of PKF International

Guy CASTINEL

STATUTORY AUDITORS' REPORT ON THE AUTHORISATION TO AWARD RESTRICTED STOCK UNITS FROM EXISTING SHARES OR SHARES TO BE ISSUED

Extraordinary General Meeting of 17 June 2021 (14th resolution)

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 of Catering International & Services,

As the statutory auditors of your company and in accordance with the terms of our engagement provided for under article L.225-197-1 of the French Commercial Code, we hereby present our report on the proposed authorisation to award restricted stock units from existing shares or shares to be issued for the benefit of Mr. Yannick Morillon, Deputy Chief Executive Officer, which is hereby submitted to your vote.

The total number of shares that may be freely awarded by the Board of Directors is set at 1.5% of the share capital on the date of their grant decision.

Your Board of Directors proposes, on the basis of this report, to authorise for a period of 26 months to award shares from existing shares or shares to be issued.

It is the responsibility of the Board of Directors to issue a report on this proposed stock award. It is our responsibility to inform you, when applicable, on our observations concerning the information provided to you on this proposed stock award.

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 have consisted notably in verifying that the procedures proposed and presented in the Board of Directors' report comply with applicable laws.

We have no comments to make regarding the information provided in the Board of Directors' report on the proposed stock award.

Done in Marseille
15 April 2021

THE STATUTORY AUDITORS

French original signed by:

Cabinet SYREC

Luc-René CHAMOULEAU

Audit Conseil Expertise, SAS
Member of PKF International

Guy CASTINEL

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

Financial year ended 31 December 2020

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. 3-1080¹, we hereby present our consolidated statement of non-financial statement (hereafter the “Statement”) presented in the management report prepared for the period ended 31 December 2020 in accordance with the provisions of article L.225 102-1, R. 225-105 and R. 25 105-1 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. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions relating to the main risks (hereinafter the “Information”).

However, it is not our responsibility to express an opinion on:

- ▶ the company’s compliance with any other applicable legal and regulatory provisions, particularly those concerning the combating of corruption and tax evasion;
- ▶ the conformity of products and services with applicable regulations.

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 suitability of the Guidelines with respect to their relevance, completeness, reliability, impartiality and comprehensibility and taking into account best industry practices where appropriate;
- ▶ we verified that the Statement discloses the information provided for in II of Article R. 225-105, where this information is relevant to the main risks and that it provides, where applicable, an explanation of the reasons for non-disclosure of the information required by the 2nd paragraph of III of Article L. 225-102-1;
- ▶ we verified that the Statement presents the business model and the main risks related to the activity of all the entities included within the scope of consolidation, including, whenever relevant and proportionate, the risks engendered by business relations, products or services as well as the policies, reasonable diligence procedures and results, including key performance indicators;
- ▶ we consulted documentary sources and conducted interviews to:
 - assess the process for selecting and approving the main risks and the consistency of the results and key performance indicators selected for the main risks and policies presented, and
 - substantiate the qualitative information (actions and results) that we considered to be the most important²;
- ▶ we verified that the Statement covers the consolidated scope, i.e. all entities included in the scope of consolidation in compliance with article L.233-16 of the French Commercial Code;
- ▶ we have taken note of the internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure that the Information is both complete and accurate;
- ▶ regarding the key performance indicators and other quantitative results that we considered to be material we used³:
 - 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 entities⁴;
- ▶ We assessed the overall consistency of the Statement in relation to our knowledge of the entities included in the scope of consolidation.

² Qualitative information relating to the following sections: "Nutrition and balanced diet", "Regional impact of CIS Group activities in operating countries".

³ Quantitative employment information: average total headcount and breakdown by gender, age and continent; recruitments, departures (including dismissals); absenteeism rate; frequency and severity rate of occupational accidents; total number of training hours. Quantitative environmental information: water consumption, total electricity consumption CO2 emissions (of which for transportation and energy).

⁴ France.

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 February and March 2021. 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.

Done in Marseille
15 April 2021

THE INDEPENDENT THIRD PARTY

Grant Thornton
French member firm of Grant Thornton International

Lionel HATET
Partner

Tristan MOURRE
Manager

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 in this report faithfully presents business trends, the results and financial position of the company and a description of the main risks and uncertainties.

Régis ARNOUX
Chairman of the Board of Directors

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