

GEA

TOLL COLLECTION SYSTEMS



SUPERVISORY BOARD

Mr Serge ZASLAVOGLU, Chairman
Mrs Jeannine ZASLAVOGLU, Vice-chairman
Mr Henri CYNA
Mr Louis-Michel ANGUE
Mr Pierre GUILLERAND
Mrs Marie-Paule ROC

MANAGING BOARD

Mr Serge-Alexis ZASLAVOGLU
Mr Grigori ZASLAVOGLU

AUDITORS

Grant Thornton,
represented by Mr Thierry CHAUTANT
Cité Internationale
44, quai Charles de Gaulle,
CS 60095
69463 LYON Cedex 06

STOCK BROKERS

EXANE BNP PARIBAS
16, avenue Maignon
75008 PARIS
Tél.: 01 44 95 40 00

HEAD OFFICE

INOvallÉE
12, chemin de Malacher
CS 60085
38243 MEYLAN Cedex

COMMUNICATIONS

Mr Grigori ZASLAVOGLU
Tel. : +33 4 76 90 72 72
E-mail : postmaster@gea.fr
Web site : www.gea.fr



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FINANCIAL APPENDIX

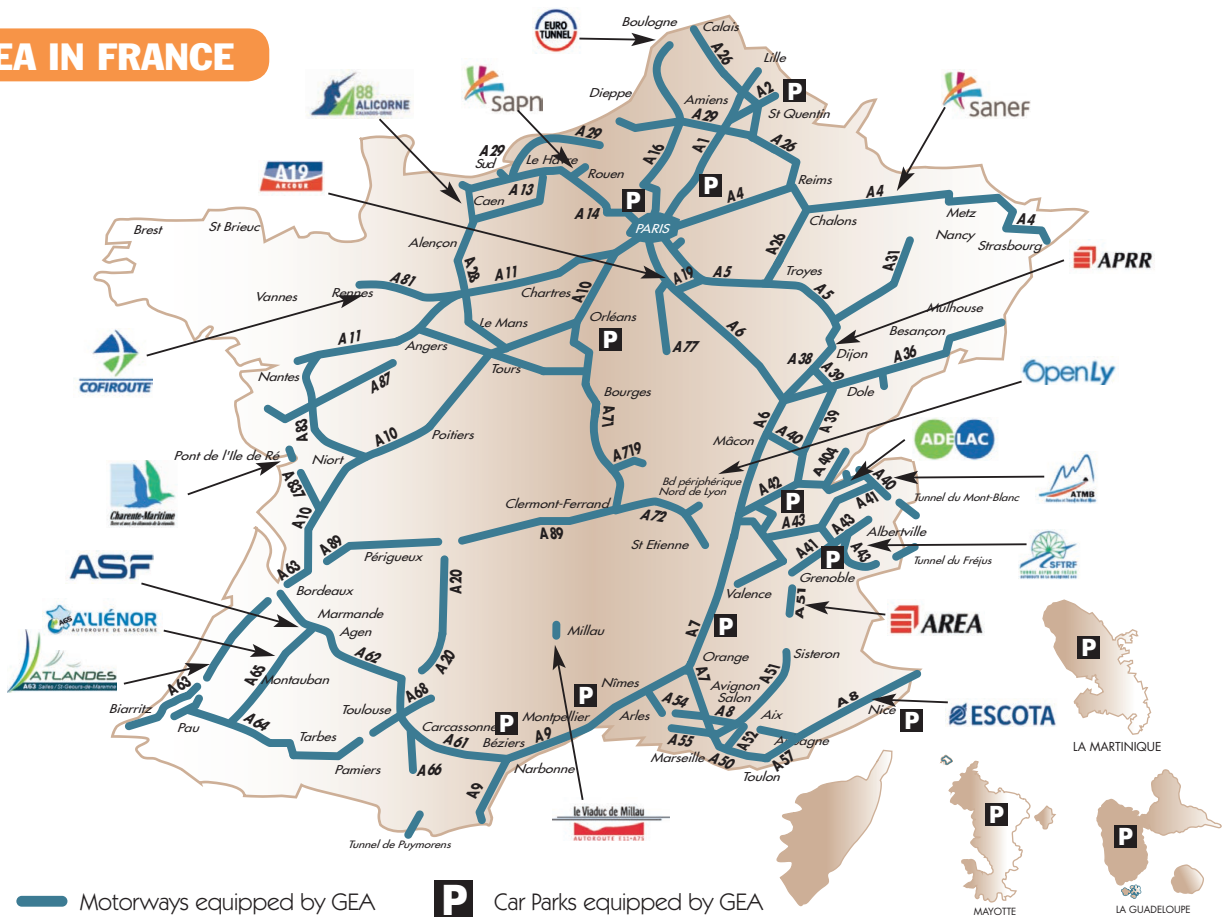
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GEA WORLDWIDE



Toll systems of GEA are installed in 35 countries.

GEA IN FRANCE



MESSAGE FROM THE PRESIDENT OF THE GEA SUPERVISORY BOARD



The efforts made in international prospecting resulted this year in a significant increase in the share of exports in our turnover and in our order book.

However, this success has not allowed exports to take over completely from an activity that is still depressed in France and which is undoubtedly destined to remain so in the long term.

In this difficult environment, however, we managed to maintain our main ratios thanks to good cost control.

The company's financial independence at the end of this financial year was thus further strengthened both in terms of equity and cash.

Faced with the persistent uncertainties regarding the company's level of activity in the coming years, this financial strength will enable us to continue to look to the future with confidence and to pursue the efforts undertaken in our various priority areas of development.

The international transition will thus be continued, including towards areas or countries that may present uncertainties or even financial risks.

In addition, we will continue our research and development efforts, particularly in the field of non-stop electronic toll collection.

GEA has been active in this market for more than 25 years and has recognized expertise in this field. As an integrator of the Inter Société Electronic Toll System for almost all French motorway companies, GEA has also developed the existing 30km/h non-stop electronic toll systems.

Internationally, we have also developed several non-stop electronic toll systems in many countries. With complete in-house technological expertise in its own non-stop electronic toll collection equipment, GEA has sold nearly 11,000 microwave ground antennas and more than 1.5 million on-board tags to date. In this respect it is worth noting our first export orders for the new tag we have developed.

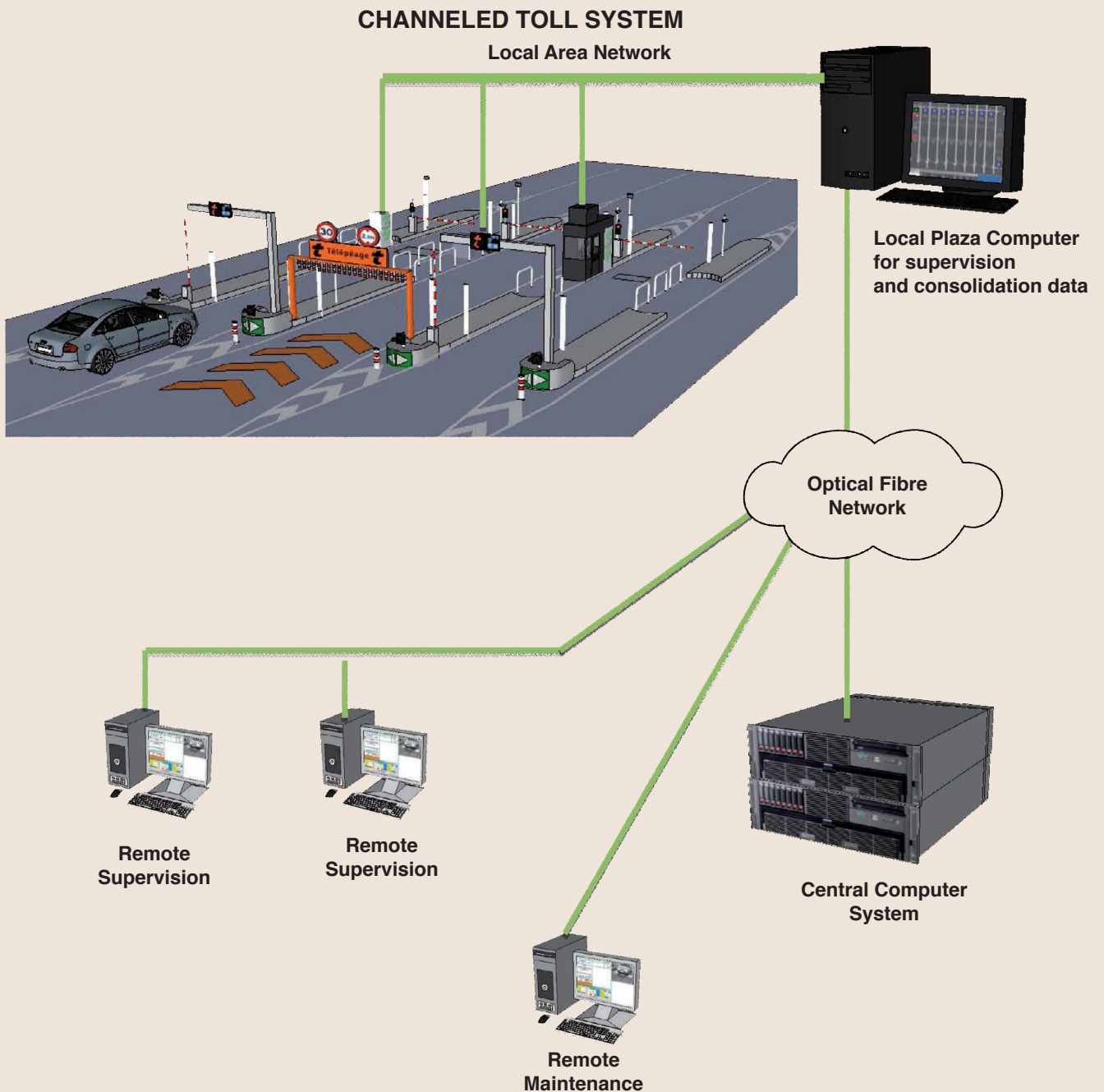
In the field of free flow electronic toll collection, GEA has also positioned itself on this market, which is currently experiencing a significant expansion in a more favorable political and regulatory context, particularly in France. After achievements both in France and abroad a few years ago, GEA successfully set up and validated during the financial year a first pilot free flow site on the VINCI Group network, thereby highlighting the particularly high level of performance of the system developed by GEA.

GEA's future depends on these technological and commercial developments and on financial risk taking. We will pursue them with determination and constancy, drawing on all our resources, financial and above all human.

Each of our employees enjoys my full confidence and will continue, I am sure, to work, as has always been the case, for the smooth running of our company.

Serge Zaslavoglou

ORGANISATION OF DATA COLLECTION AND TRANSMISSION NETWORK



Fitted with a central processing unit, toll terminals at user level manage various lane peripherals (automatic vehicle classification systems, traffic signals, barriers, electronic tolling antennas, etc).

Transaction data and traffic information are collected in real time and stored before being centralised and consolidated through local networks.

These local plaza computers communicate with a central computer via optical fibre networks.

COMPUTER AND ELECTRONIC TOLLING CONTROL SYSTEM

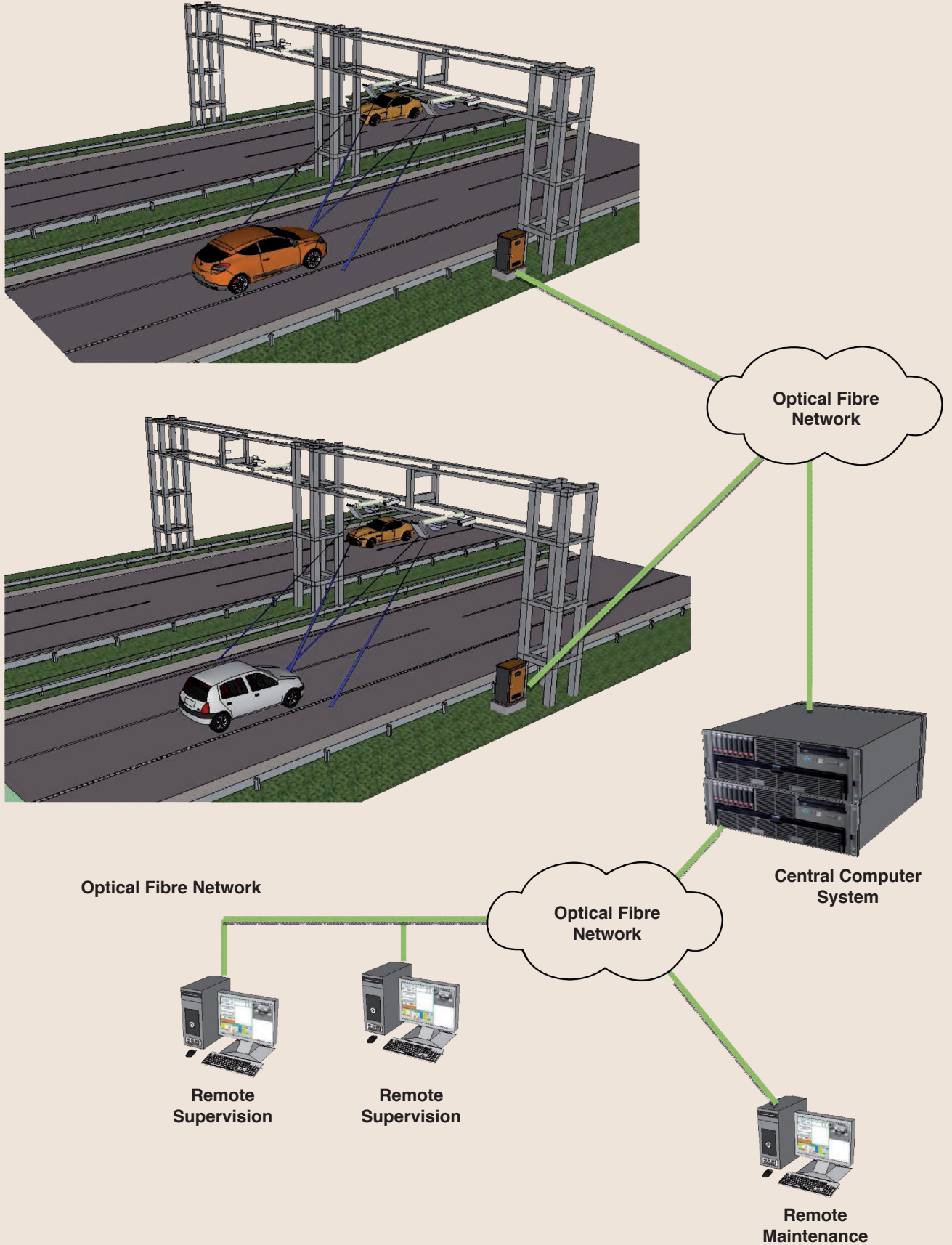
At the financial level :

- Prevents fraud
- Manages money flow (Revenue of more than 9.83 billions Euros in France in 2016).

At the technical level :

- Processes all means of payment
- Generates traffic statistics
- Automates toll collection
- 1.54 billion transactions in 2016 (nearly 806 millions of which by Electronic Toll Collection)

FREE FLOW ELECTRONIC TOLL COLLECTION



AN EXPANDING BUSINESS: AUTOMATED TOLL PLAZAS

GEA offers a comprehensive range of equipment which allows its clients to automate their revenue collection either partially or entirely.

With more than 150 fully automated toll plazas in service in France, GEA is at the forefront of technology in this field.

Internationally, numerous customers have chosen GEA for all or a part of equipment for automation, in Denmark, Sweden, Spain, Brazil, Asia (Malaysia, Thailand, and China), Northern Africa, Kazakhstan, Russia, Australia, Greece, Croatia and Great Britain.

Automatic toll lanes accepting all means of payment

Precursor in this field, GEA is a leader for the procurement of these automatic multi-payment machines (accepting coins, banknotes, credit cards, debt recognition forms).

Associated with automatic vehicle classification systems and audio-video systems providing real-time remote assistance to road users, these machines allow the full or partial automation of the toll collection process.



Integrated automatic multi-payment machines are safer and more comfortable to operate for clients.



Only one operator for supervision and remote assistance of many plazas and dozens of automatic lanes.



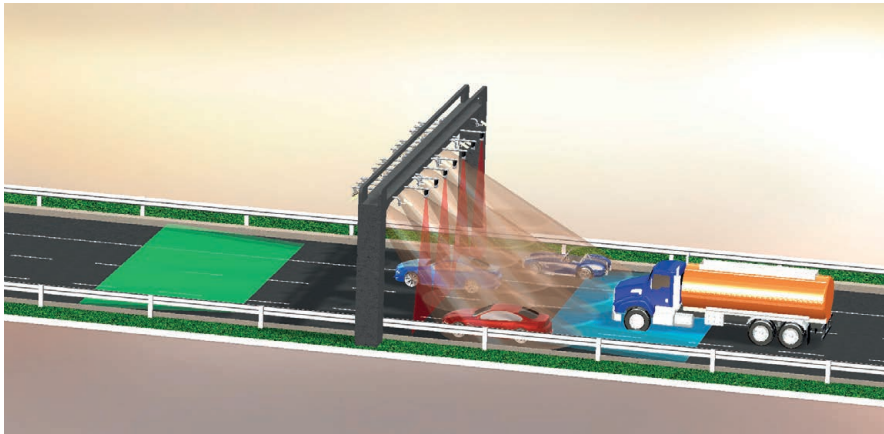
Automatic multi-payment machines are also sold outside France.

Electronic Toll Collection (ETC) systems compliant with the european standard CEN TC 278



- GEA has developed and produced its own mobile microwave On-Board Units (OBU) and its own DSRC road-side antennas.
- GEA has:
 - supplied and implemented nearly 11,000 DSRC antennas.
 - Implemented fast non-stop ETC systems managing all types of vehicles.
 - Completed the TIS ETC software integration for nearly all French motorway operators (Light Vehicles and Heavy Goods Vehicles).

- GEA OBUs have been chosen by the main OBU issuers (Sanef, ASF, AREA, ATMB, AXXES DKV, EUROTOLL, ESCOTA, ACESA, AUTEMA, SERVIABERTI, HAC, EASYTRIP)
- GEA possesses an ETC Free Flow system. The first 130 km / h Free Flow systems were commissioned on the A65 motorway (Langon-Pau).
- As part of the “Grenelle Environmental Forum”, GEA designed, together with its clients, and deployed, a canalised 30km/h non-stop Tolling System in order to reduce CO² emissions
- GEA has supplied the roadside antennas for the Ecotaxe heavy vehicles free flow project.
 - Outside France, GEA have also installed several electronic toll systems in Denmark, Sweden, Brazil, Croatia, Spain and in Asia, Marocco, Tunisia, Mexico and Russia.
 - GEA developed an hybrid system in Kazakhstan, combining free-flow equipment with automatic multi-payment machines. This new solution provides the benefits of the two systems, associating traffic fluidity at entry lanes and along the motorway with integral and certain toll collection at exit lanes thanks to automatic multi-payment equipment.
- **Successful implementation in 2017 and validation of a first Free Flow pilot site in France on ESCOTA (VINCI group).**



- microwave communication (on board units / roadside antennas)
- Automatic classification of vehicules
- Automatic licence plate recognition
- Integration, analyse and treatment of collected datas



Free flow pilot site in Antibes

CAR PARK ACCESS AND TOLL CONTROL SYSTEMS

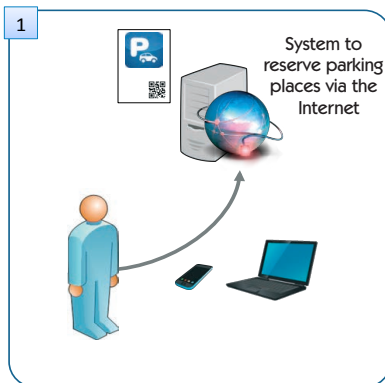
GEA has developed a complete line of equipment for car parks.

- ✓ Entry lane terminals
- ✓ Intermediary lanes for access to private areas
- ✓ Exit lane terminals
- ✓ Pedestrian access control terminals
- ✓ Automatic payment machines
- ✓ Manual payment machines
- ✓ Car park supervision servers
- ✓ Central computer systems

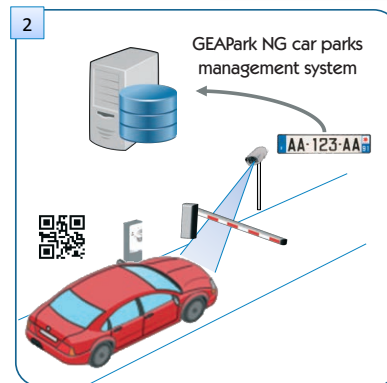


New GEA-PARK line of equipment.

GEA has also developed internet, landline and mobile phone payment and reservation solutions interfaces associated with automatic licence plate recognition systems.



Online Parking Reservation



Access to the car park by automatic reading :
of the registration plates or by reading the
2-D optical reservation code

• GEA has also obtained the confidence of other customers, notably:

- ✓ INDIGO
- ✓ Lyon Airport
- ✓ Mayotte Airport
- ✓ SAEMES (City of Paris)
- ✓ SEPADEF (Car Parks at la Defense in Paris region)
- ✓ CHU (City of Grenoble Hospital)
- ✓ Aeronautic and Space Museum of Le Bourget
- ✓ City of Châtou
- ✓ City of Pointe-à-Pitre
- ✓ City of Saint-Ouen
- ✓ City of Saint-Jean-Cap-Ferrat
- ✓ City of Tremblay
- ✓ City of Fort-de-France
- ✓ Football stadium in Auvergne-Rhône Alpes Région



- During the past few years GEA has also developed a parking maintenance activity at the request of its main customers.
- GEA has also developed and installed new systems for managing secured lorry parks for the Vinci, EIFFAGE and ABERTIS groups.

GEA SENIOR EXECUTIVES AND HUMAN RESSOURCES



Alexis ZASLAVOGLU
Chairman of the Managing Board,
Research and Development
Director



Grigori ZASLAVOGLU
Managing Director,
Company Secretary



Hassane TANOUKHI
Project Director



Olivier MANNECHEZ
Software Applications Director



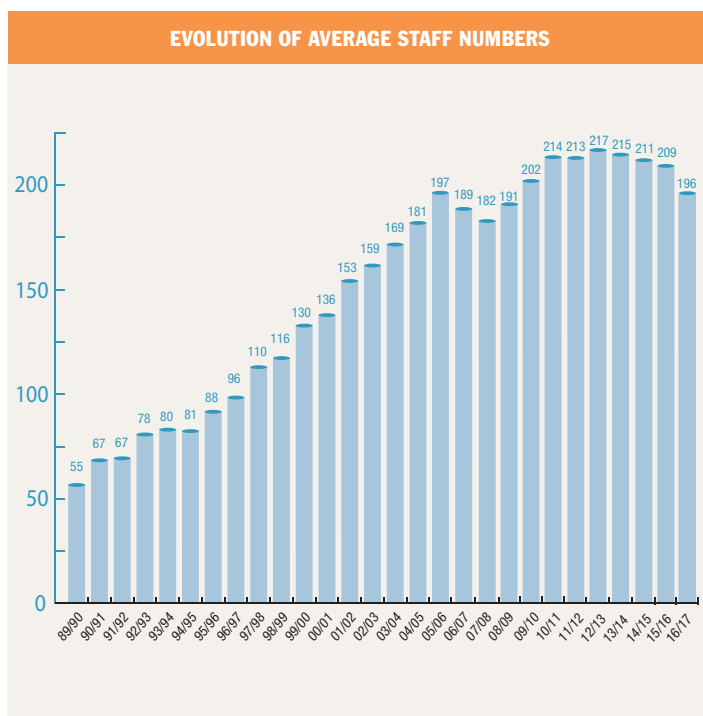
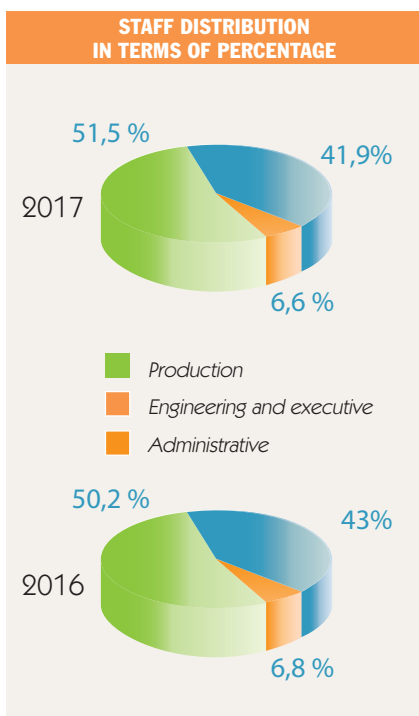
François-Xavier OTT
Strategy, Marketing and Sales
Director



Philippe THOREAU
Commercial Director

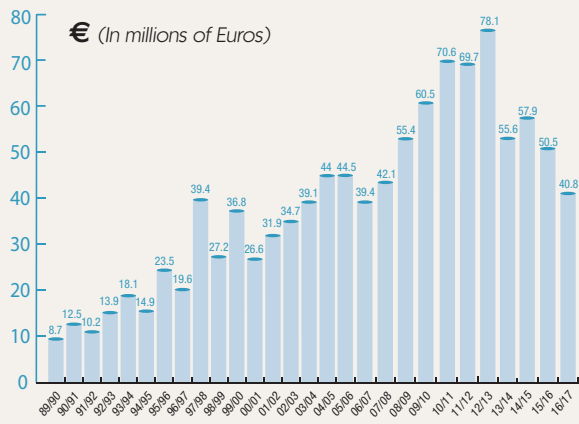
On 30th September 2017 GEA staff totalled 198 (207 the previous year) distributed as follows:

- Engineering and executive:	83
- Administrative:	13
- Production:	<u>102</u>
	198

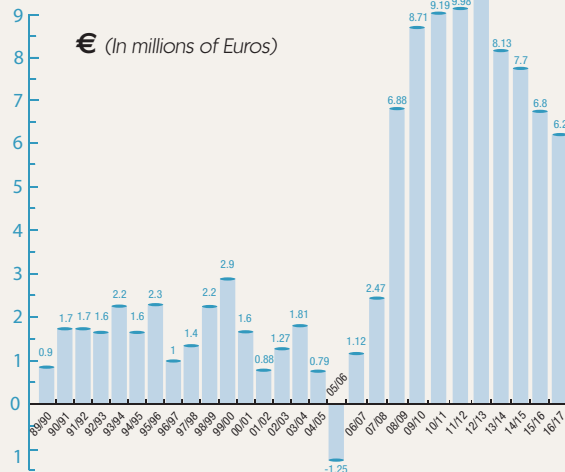


KEY FIGURES

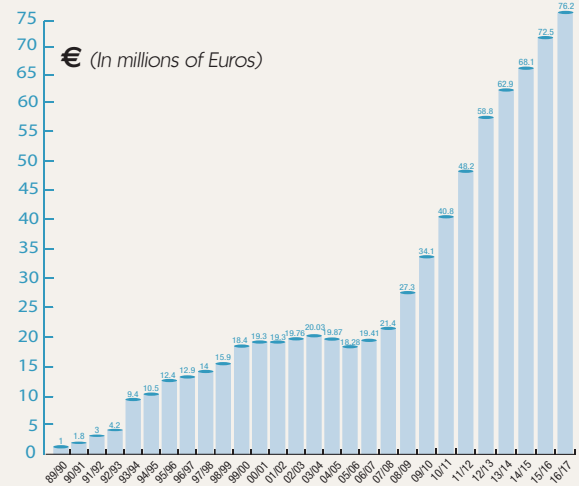
EVOLUTION OF TURNOVER



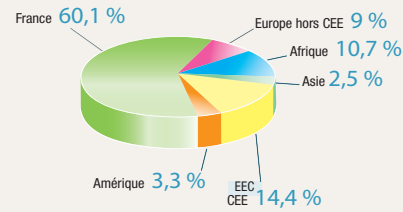
EVOLUTION OF NET RESULT



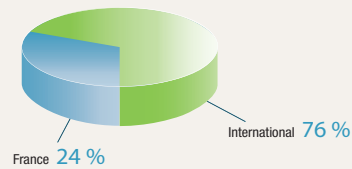
EVOLUTION OF SHAREHOLDER'S EQUITY



TURNOVER DISTRIBUTION



ORDER BOOK AS OF 30/09/17

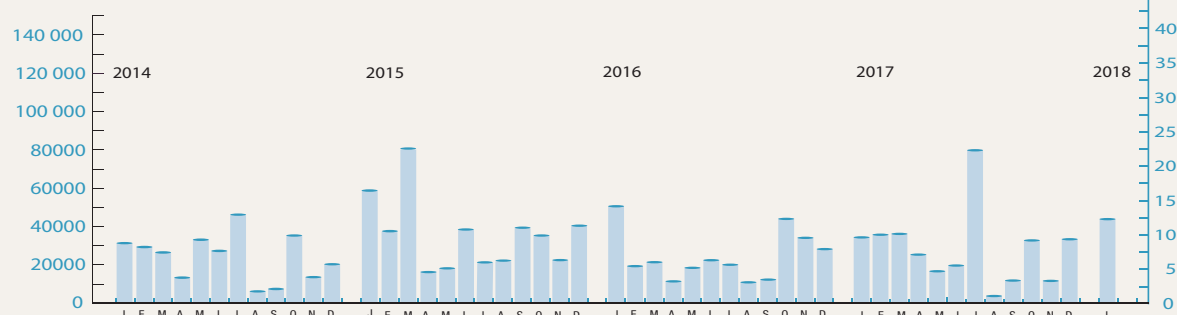


THE STOCK MARKET

GEA shares (code ISIN: FR0000053035) are quoted on the Euronext Paris Eurolist C.

GEA share price

Number of shares traded



Evolution of the stock-market price and number of shares traded.

GEA share price

Number of shares traded

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MANAGEMENT REPORT ON OPERATIONS FOR THE FINANCIAL YEAR ENDED 30th SEPTEMBER 2017

Ladies and Gentlemen,

We have convened this general meeting to report to you on the activity of our company during the financial year ended 30 September 2017 and to submit for your approval, in particular, the annual accounts for that financial year.

First of all, we would like to point out that the financial statements presented to you, approved by the Management Board on 22 December 2017 and submitted to the Supervisory Board on 25 January 2018, do not include any changes in either the presentation of the financial statements or the valuation methods compared to the previous year.

Are appended to this report:

- In accordance with the provisions of Article R. 225-102 paragraph 2 of the Commercial Code, a table showing the financial results of the company over the last five years,
- In accordance with the provisions of Article L. 225-100 paragraph 7 of the Commercial Code, a summary table of current delegations granted by the general meeting of shareholders in the Managing Board in the field of capital increases, in application of Articles L. 225-129-1 and L. 225-129-2 of the Commercial Code.

We will now present the different items of information stipulated by the regulations.

I - ACTIVITY AND RESULTS

1) Situation and Activity during the Financial Year; progress; challenges

The sales revenue on 30th September 2017 totalled € 40,841,855 compared to € 50,580,842 for the previous financial year.

Total operating income, taking into account both the variation in the works in progress (€ +387,316) and the write-backs of provisions and expense and income transfers (€ +589,703) amounts to € 41,818,912 compared to € 49,513,629 on 30th September 2016.

Although marked by a sharp decline during the year, business in France continued with the supply of toll equipment for almost all motorway companies, in particular under multi-year contracts.

Over the period, the company was entrusted with the renovation of the toll system on the Normandie Bridge and the construction of access control on Ile Seguin.

A 5-year strategic contract was also signed with APRR (Autoroutes Paris Rhin-Rhône) to supply toll equipment for APRR, AREA (Autoroutes Rhône-Alpes) and CEVM (Viaduc de Millau).

GEA was also selected for the complete renovation of the toll system on the Boulevard Périphérique Nord de Lyon.

ESCOTA (Société des Autoroutes de l'Estérel et de la Côte d'Azur) has also chosen GEA for the integration of new electronic payment modules into all its toll lanes and to ensure convergence of its automatic equipment with the PCIDSS data security standard.

Internationally, GEA has successfully continued its ongoing achievements.

The commercial efforts undertaken for several years now in export have also borne fruit during the year with the signing of several contracts in Asia, Morocco, Croatia and Russia.

Operating costs amounted to € 34,382,885 (compared to € 41,104,878 for the preceding year) including:

- Depreciation allowance and provisions during the year of € 402,335
- Payroll for € 9,562,803 and the related social expenses amounting to € 4,267,313 for an average staff number of 196 employees.

In accordance with the recommendation issued by the Accounting Standards Authority, the product of the 'competitiveness and jobs' tax credit (CICE) for the financial year, a total of € 225,339 (including a theoretical sum in respect of receivables from the Government calculated on the eligible salaries running up to the closure date of € 168,575), has been credited to account 649 – CICE employee charges.

This CICE product recorded up to the closure date reduces our operating costs and will be used to reinforce the company's equity capital in order to finance our prospecting efforts in new export markets.

The CICE credit for the calendar year 2016 is allocated to the corporation tax due for the current financial year, while the theoretical CICE running up to the closure of the financial year will be allocated to the corporation tax due for the following financial year.

The provision corresponding to the company's engagements concerning employees' retirement contributions and accounted as of 30 September 2017 amounted to € 436,284.

Despite relatively tight control of personnel costs (-4.5%), a significant reduction in temporary employment costs (-65%) and a lower use of subcontracting (-41%), which made it possible to maintain an operating margin rate of 18%, it was not possible to maintain the level of operating income in value terms, which fell by 11.5%.

Since the Company's structures remained unchanged in spite of falling business, this had an impact on the operating income which fell 32%.

The operating income came in at € 7,436,026, compared with € 8,408,751 for the previous year.

Financial income and expenses totalled € 1,219,110 and € 85,033 respectively compared to € 982,751 and € 40,691 the previous financial year.

After taking into account an exceptional profit of € 619,789 profit sharing with employees of € 359,696 corporate income tax amounting to € 2,568,288 together with the social contribution of € 62,239, the net result came to € 6,199,670 compared to € 6,889,516 for the previous year.

2) Developments of stockholders' equity and overdraft

Stockholders' equity amounted to 76,24 millions euros on 30th September 2017 compared to 72.54 millions euros on 30th September 2016.

Bank debt is zero and the company has not signed any lease contracts.

3) Payment deadlines

Schedule of remaining debts to vendors at 30th September 2016:

	Invoices received but not paid as at 30/09/17 whose term has expired					Invoices issued but not paid as at 30/09/17 whose term has expired				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total	1 to 30 days	31 to 60 days	61 à 90 days	91 days and more	Total
(A) Late payment instalments										
Number of invoices concerned	X	X	X	X	2	X	X	X	X	12
Total amount of invoices concerned (excluding VAT)	44 120			1166	45 286	24 582	7 908	8 391	88 218	129 099
Percentage of total purchases for the year (excluding VAT)	0,33			0,008	0,34					
Percentage of revenue for the year (excluding tax)						0,06	0,02	0,02	0,21	0,31
Invoices excluded from (A) relating to disputed or unrecorded debts and receivables										
Number of excluded invoices	0					0				
Total amount invoices excluded (excluding VAT)	0					0				
(C) Reference payment terms (contractual or legal)										
Payment periods used to calculate late payments	Legal deadlines: 45 days					Contractual deadlines: variable according to the contracts Legal deadlines: 45 days				

Invoices received that were late in payment during the financial year

	Invoices issued that were late in payment during the financial year					Factures émises ayant connu un retard de paiement sur l'exercice				
	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total	1 to 30 days	31 to 60 days	61 à 90 days	91 days and more	Total
(A) Late payment instalments										
Number of invoices concerned					0					0
Total amount of invoices concerned (excluding VAT)					0					0
Percentage of total purchases for the year (excluding VAT)					0					0
Percentage of revenue for the year (excluding tax)										0
Invoices excluded from (A) relating to disputed or unrecorded debts and receivables										
Number of excluded invoices	0					0				
Total amount invoices excluded (excluding VAT)	0					0				
(C) Reference payment terms (contractual or legal)										
Payment periods used to calculate late payments	Legal deadlines: 45 days					Contractual deadlines: variable according to the contracts Legal deadlines: 45 days				

4) Foreseeable Developments and Prospects for the Future

Thanks to the large installed base and technological advance, GEA intends to pursue the development of its activity, particularly through the automation of tolling.

As of 30th September 2017, the order book was valued € 50.5 millions, 76% of which is international orders.

5) Events Occurring Since the End of the Fiscal Year

Since the closing, the company has won several international contracts, in particular and recently in Mexico for the supply of toll systems for the Mexico-Irapuato motorway.

Gross sales (not corrected of the revenue invoiced in advance) for the first quarter of the current financial year rose sharply (+84%) to 14.66 million euros from 7.94 million euros a year earlier. However, the turnover for the whole financial year cannot be extrapolated from this non-recurring invoicing level, which results in particular from the simultaneous settlement of several contracts, in particular international contracts.

6) Research and Development Activities

The company has continued its research and development programme over the past financial year; none of the expenses incurred in this context were converted into fixed assets.

7) Share Buy Back

On 31st March 2017, the Managing Board was authorised to purchase its own shares on the Stock Market in accordance with Article L.225-209 of the Commercial Code with the aim of stabilising the price of the company share through systematic counter tendency intervention, or otherwise the delivery of shares as payment or exchange in operations of external growth or share cancellation, and under the following conditions:

- Maximum buying price: € 120 per share
- Maximum number of shares to be acquired: 10% of total shares

The purchase program was published through a press release sent to the Autorité des Marchés Financiers and made available on ActusNews dated 30th March 2017.

These operations were carried out under a liquidity contract in accordance with the AMAFI Charter of Ethics agreed with an investment service provider. (Liquidity contract concluded 11th July 2005 between the company and the brokerage firm EXANE BNP PARIBAS, renewed tacitly and which has continued to be implemented during the year).

Under the liquidity contract, 4,809 shares were acquired during the year at an average price of € 90,41 and 5,032 shares were sold at an average price of € 90,22

The amount of commissions under the liquidity contract was 12,583 euros excluding VAT for the financial year, of which 2,500 euros excluding VAT were flat rate brokerage fees.

At the closing of the last three financial years:

On 30th September 2017, the company held 1,029 shares (0.08% of its capital) for a value of € 92 933

On 30th September 2016, the company held 1,252 shares (0.10% of its capital) for a value of € 101,161

On 30th September 2015, the company held 1,490 shares (0.12% of its capital) for a value of € 115,093.

8) Miscellaneous

The company is not under any obligation to produce its accounts to IFRS standards.

However, it has introduced some of the preferential methods of CRC 99-03 regulation, which could apply to GEA's activity in order to come closer to international accounting standards. Each year since 2004, the company has thus accounted for a provision corresponding to the company's engagements concerning personnel retirement contributions.

On 30 September 2013, the company paid € 1,434,184 to an outside entity for the management of its retirement engagements.

Also, as of the financial year 2005/2006, the company has applied CRC 2004-06 regulations concerning the definition, accounting and evaluation of assets and CRC 2002-10 concerning the depreciation of assets.

II - SUBSIDIARIES, SHARE HOLDING

(Articles L.233-6, L.233-7 and L.247-1 of the Commercial Code)

1) Subsidiaries (+50% and +66.66% of the capital)

None

2) Share Holding (5%, 10%, 20%, 33.33% and 50 %)

None

III - RECIPROCAL SHARE HOLDING

No investment of this order was held by our Company during the past financial year, which would have required an alienation of shares described in Article R.233-19 of the Commercial Code.

IV - DEGREE OF EXPOSURE TO RISK FACTORS

A review of risks was conducted and no other significant risks have been identified other than those listed below:

1) Technological risk factors:

Prevention of technological risks

The company's activities do not come under the provisions of article L.225-102-2 of the Commercial Code relating to installations shown in the list set out in section IV of article L.515-8 of the Environmental Code.

New product launches

Proficiency in equipment design, manufacture and deployment phases ensures a high safety margin for GEA in terms of deadlines. Similarly, this proficiency in conjunction with the quality policy developed within the company reduces breakdown risks to a minimum.

Sub-contractor skills

For reasons of economic effectiveness, the company sub-contracts a fairly small and highly targeted proportion of its production and installation work. The company also strives to ensure at least two sub-contracting sources for the same type of service.

Staff skills

The company is continuing its expansion by concentrating on on-going product innovation, maintaining product quality and providing support services, all of which require a highly qualified and stable workforce. Workforce stability has been clearly asserted since the company was established.

Dependence on Key Personnel

The Company is well structured enough to not be significantly exposed to this risk.

Environmental Risks

Company production does not give rise to pollution risks, either during manufacture or storage.

2) Business risk factors:

Advent of new competitors

To the best of our knowledge, there have been no new competitors in GEA's field of business this year.

Falling prices

GEA operates in a competitive market, which may lead to price pressure. Furthermore, GEA may be compelled to offer occasional strategic business gestures, especially in order to enter new export markets.

Counterfeiting

There is a marginal risk of counterfeiting given the on-going technological developments and level of service associated with the sale of this type of product.

Customer risks (credit risk and / or matching)

The customer risk is low given the quality of contracting parties, in particular in France (public sector companies or private sector companies operating concessions).

Abroad, GEA strives to obtain payment by means of firm letters of credit confirmed by a French bank. Furthermore, when significant credit is granted to a customer, GEA usually requests a bank security to guarantee payment.

A risk analysis is carried out regularly. An accounting provision is built in if necessary where the probability of an incident is established.

3) Financial risk factors:

Exchange rate risks

As in previous years, wherever possible, coverage of exchange rate risk factors has been ensured through forward contracts.

The company also occasionally uses COFACE's cover systems.

Currency forward sales as of 30th September 2017: 379,979, 000 rubles

Interest rate risks

None.

Commodity risk

None.

Dilution and takeover risks

The founders and directors hold a clear majority of the voting rights inside the company, which provides protection against hostile public offers.

Fluctuations in company shares

(Shares and other investments risks)

Since it was listed on the stock market in 1994, GEA has used legal provisions to intervene on the market to regularise its share price against the trend without exception, such interventions being carefully measured.

These took the form of a liquidity contract signed with a specialist brokering company which acts

according to the code of practice laid down by the AMF (Autorité des Marchés Financiers). In the 2016/2017 financial year, the GEA share price varied between € 82, 41 at the lowest (on 21/04/17) and € 99,68 at the highest (on 18/01/17).

4) Legal and tax risk factors:

Disputes

Because of its activities in France and abroad, it may be subject to diverse litigation. GEA has taken out various insurance policies which are adapted to its business activity:

- Legal Liability insurance policies (premium: € 64,039; cover: € 8,000,000 before delivery and € 4,000,000 afterwards, deductible: from 0 to € 30,000 according to damage)
- Comprehensive and Business Interruption Loss Insurance (premiums: € 63,566 cover: gross margin for the business interruption loss policy, new reinstatement value as well as the reimbursement of the BME after an expert's report, deductibles: none).
- Car Fleet (premiums: € 33,381; cover: unlimited for legal liability and value after expert for comprehensive cover; deductibles: none in limited liability and variable according to vehicle type).
- Air Insurance (premiums: € 12,534; cover: fuselage cover 600,000, legal liability for non-transported persons 12.5 million euros, legal liability for passengers 150,000 per seat).

Tax and company risk factors

The company fulfils its tax and social security obligations.

Intellectual property

Not applicable.

5) Liquidity risk:

Equity amounted to € 76.24 millions on 30th September 2017 compared with € 72.54 millions on 30th September 2016.

Bank debt is nil and the company has not entered into any lease contract.

On 30th September 2017 the Company had € 74 millions of net cash. Cash is invested in money market funds or accounts without capital risk.

6) Operational Risks:

In terms of internal control, the company has endeavoured to establish the means it deems best suited to its company profile whose shares are listed on a regulated market, and its French and international activity.

Current business is supervised by members of the Managing Board with a management team consisting of 5 Directors and a Company Secretary:

Mr Tanoukhi, Project Director

Mr Alexis Zaslavoglou, Research and Development Director

Mr Mannechez, Software Applications Director

Mr Ott, Strategy, Marketing and Sales Director

Mr Thoreau, Commercial Director

Mr Grigori Zaslavoglou, Company Secretary

The Managing Board with its management team oversees operations to prevent and monitor any kind of risks to the company, whether or not linked to the activity; while risks of a more financial character are supervised by Mr Grigori Zaslavoglou, Company Secretary.

Significant commercial offers are validated by at least one member of the Managing Board before being sent to customers. Similarly all contracts are signed by a member of the Board, or with its written permission.

The accounting and financial functions, and management control during the year were assumed by the Company Secretary under the authority of the Managing Board and assisted by an Accounting and Treasury Department composed of 8 people. The Chief Accountant, acting under the authority of the Company Secretary and in accordance with company accounting procedures, ensured the correct and complete invoice record of customers and suppliers. Accounting function resources are reviewed annually and were found to still be adapted to the size and activity of the company.

Purchases are made for firm projects. Stocks and work in progress are subject to an annual comprehensive physical inventory and a six monthly review. Payments to suppliers are subject to validation by the Purchase Department and / or project managers concerned. A final review before payment is made by a member of the Managing Board.

The policy for the coverage of financial risks of any nature as well as the signing of commitments was monitored, under the supervision of the Managing Board, by the Company Secretary. Financial investments were made on instruction from the Company Secretary, who was also responsible for all company relations with the banks.

As part of the choice made by the company to use bank debt as little as possible, and given the importance and permanence of the treasury, internal financing and cash was controlled by the Company Secretary. He also oversaw periodic checks between cash and accounting and ensured the correction of any anomalies. On each financial closing the Board was informed of the company treasury situation.

The Company Secretary also oversaw the production of financial statements and finalised them with the Chartered Accountant after audit by the External Auditor.

Judicial and tax functions are generally outsourced to specialised firms.

The accounting and management system rests on an internal information system that is backed up by the regular assistance of a chartered accountant, to whom payroll processing is outsourced. The Managing Board ensures that information conservation requirements, data and processing for the establishment of accounting and financial statements are met.

Accounts are reconciled twice a year.

Forecasts are made annually and revised at the end of each half-year.

The organisation in place thus facilitates comprehensive bookkeeping monitoring, correct evaluation of transactions and the production of accounting and financial data according to accounting standards in effect and accounting rules and methods implemented by the company. The Board has been informed of these principles, approved by the Managing Board and reviewed by the External Auditors. Any change in accounting principle is, where applicable, the subject of consultation with the External Auditor and of information to the Board.

Financial information is controlled by the Auditor in connection with audits and in accordance with current standards.

The establishment of the results, the balance sheet, financial position and annexes are explained to the Board at each published financial closing.

Financial and accounting information is subject to regular publication to shareholders and the financial community under the authority of the Company Secretary and according to a schedule established with the support of an outside legal counsel.

The company has also complied with information obligations resulting from implementation of the Transparency Directive in the Monetary and Financial Code. It will continue to do its best in the application of the regulations.

The internal control procedures are to:

- ensure that the acts of management or the execution of operations as well as the behaviour of individuals follow the guidelines given to company activities by its governing organs, by applicable laws and regulations, and by the internal rules and standards of the company - verify that the accounting, financial and management information transmitted to the company's organs accurately reflects the company's situation
- prevent the risk of error and fraud within the company
- ensure the safeguarding and protection of assets

Internal control, like any system of control cannot provide absolute assurance that risks are completely eliminated and can only provide reasonable assurance regarding the achievement of objectives.

V - SOCIAL INFORMATION

On 30th September 2017 GEA's total staff was 198. GEA had no particular difficulties in recruiting. Overtime was worked on an occasional basis due to temporary activity peaks of installation or commissioning phases on different work sites.

GEA also employed temporary staff due to absent employees and temporary activity peaks for a total of 1,776 days for the financial year 2016/2017 (compared to 4,355 days the year before).

GEA switched to a 35-hour working week at the beginning of 2000.

Some employees chose to work part-time at their own request; part-time being mostly 4/5th time connected to parental leave or other part-time work.

Salaries represented € 9,562,803 for the financial year compared to € 9,967,940 for the previous financial year.

Social security charges amounted to € 4,267,313 compared to € 4,513,681 for 2015/2016.

There is no performance agreement in GEA .

Company's savings plan was established on 26/09/2012.

GEA accounted for a provision of € 359,696 for legal participation for the financial year.

Equal opportunities between men and women appear to be respected within the company; no special measures were taken during the past year except working out with the social partners the aims to progress and act in the employment's field, in managing between work and family responsibilities, and following decree n° 2012-1408, a new indicator was established by the management and labour unions for effective payment of employees returning from parental leave.

An action plan on gender equality in the workplace was signed by management on 26 October 2016 and validated by the Works Council on the same day.

The general policy of equal treatment will be continued.

No Collective agreements at company level were concluded during the year.

GEA is subject to the agreements of the Metallurgy Industry.

The working environment and conditions are monitored periodically by GEA's Committee for Health and Safety at Work.

Training programmes were carried out in line with the training plan submitted to the Employees' Representative Council and in accordance with the needs which appeared during the financial

year. They resulted in an assessment also submitted to the Employees' Representative Council, which made no comments.

GEA endeavours to employ disabled people (4 workers on 30th September 2017).
 In 2017, GEA paid € 31,376 to the Fund for the professional integration of disabled people.
 GEA subcontracts a relatively small and targeted part of its production and installation work for economic efficiency.

VI - SHARE HOLDING

1) Identity of the Shareholders owning more than a twentieth, a tenth, three twentieths, a fifth, a quarter, a third, half or two-thirds eighteen twentieths or nineteen twentieths of the Registered Capital or voting rights, and/or who have passed these levels during the financial year (article L.233-7.1 of the Commercial Code):

Shareholders	Number of shareholders		Voting rights thresholds	
	N	N - 1	N	N - 1
ZASLAVOGLOU Family	+ 1/3	+ 1/3	+ 1/2	1/2
Eximium	+ 1/4	+ 1/5	+ 3/20	+ 3/20

Eximium declared that, on 29 Novembre 2016, it had crossed the threshold of the capital by 25 %, and that, as of that date, it holds 300,275 shares representing 25.12% of the capital and 18.69 % of the voting rights.

No shareholders agreement is known to the company.

The shares included in a registered account for more than four years have a double voting right.

2) Subscription, Purchase or Placing in Security by the Company of its own Shares for the Employee Profit Sharing Scheme

We hereby inform you that in compliance with the clauses in article L.225-211 of the Commercial Code, no purchase or sale of company shares was made as per articles L.225-208 of the Commercial Code in the past financial year.

The transactions carried out on the company's stock pursuant to Article L.225-209 of the said Code are recalled above in Chapter I §6, with the aim of stabilising the share price of the company share through systematic counter tendency intervention.

3) Options for Subscriptions or Purchase of Shares Granted to the Company Employees

No operations as described in the articles L.225-184 of the Commercial Code and 174-20 of the decree were made during the last financial year.

4) Proportion of capital held by the employees at the end of the financial year

In compliance with the provisions of Article L.925–102 of the Commercial Code, we would like to point out that the employees of the company do not possess any shares in the company that fall within the scope of a company savings plan provided for by Articles L.443–1 to L.443–9 of the Labour Code or a company open-end investment fund governed by Chapter III of Law No. 88–1201 of 23rd December 1988 concerning mutual asset funds investing in securities.

5) Increase in capital reserved for employees who are members of a company savings scheme

As part of the periodic consultation imposed by the Law of 30 November 2011, the Company's General Assembly of 31 March 2017, ruling in accordance with provisions of article L. 925-129-6 of the Code of Commerce, rejected the idea of a cash capital increase capital reserved for employees (members of a company savings scheme or investment fund) under the terms of article L. 3332-18 of the Labour Regulations.

VII - STOCK MARKET VALUE

GEA shares were listed on the secondary market of the Paris Stock Exchange on 21st June 1994, at the offer price of 120 French Francs (€18.29).

It is currently listed on Euronext Paris, Compartment C.

On 18 January 2018, the share price stood at € 87.00 and, on this basis, the market capitalisation of «GEA» was € 104.01 millions.

VIII - PROPOSAL FOR PROFIT ALLOCATION

We propose to allocate the profits for the fiscal year amounting to 6,199,669.53 €
to which has been added the sum of 2,032.80 €
which figures in the «Retained earnings» and corresponds to unpaid dividends (shares detained by the company itself) i.e. a total of: 6,201,702.33 €
in the following manner:

- A sum of 2,510,608.80 €
is distributed to shareholders as a dividend, provided that, in the event that during of the payment the company owns some of its own shares, the profit corresponding to the unpaid dividends in respect of such shares will be allocated to «Retained earnings».

- The balance of 3,691,093.53 €
will be transferred to the ordinary reserve.

The dividend returned on each share shall thus be set at 2.10 €

As from 1 January 2018, dividends received by individuals domiciled for tax purposes in France are subject to:

- to income tax taxation at a single flat rate or, at the taxpayer's option, to taxation according to the progressive scale of income tax on the one hand,
- to social security contributions on the other hand.

1°) Income tax

The rules for the taxation of income from movable property were amended by the Finance Act for 2018.

Dividends are taxed in two stages:

- The flat-rate, non-releasing withholding tax:

First of all, and subject to the special rules applicable in particular to income relating to shares registered in a PEA, the dividend will be subject, in the year of its payment, to a fixed, non-dischargeable withholding tax of 12.8% (instead of 21% for dividends received before 1 January 2018). This rate is applied on the basis of the gross amount of the dividend paid (before application of the 40% allowance and deduction of expenses and charges of any kind) (art. 117 quater, I-1 and 125 A, III bis amended of the General Tax Code).

Considered as an advance payment of income tax, this deduction is chargeable against the tax due for the year in which it was made, any excess being refundable.

The company shall carry out the standard levy and shall declare and pay it.

Shareholders whose reference tax income for the penultimate year is less than 50,000 (for single, divorced or widowed taxpayers) or 75,000 (for taxpayers subject to joint taxation) may request exemption from this withholding tax (art. 117 quater, I-1 of the General Tax Code).

If applicable, and at the latest on 30 November of the year preceding the year of payment, the shareholder makes his request for exemption, by producing a certificate on his honour to the company in which he indicates that his reference tax income appearing on the tax notice drawn up in respect of income for the penultimate year preceding the payment is less than 50 000 or 75 000 (art. 242 quater of the General Tax Code).

- The application of the single flat-rate or progressive income tax rate:

Then, in the hands of the shareholder, it is the year following the year of payment that its final taxation takes place: subject once again to the special rules applicable in particular to shares registered in a PEA, the gross dividend will be subject to income tax at the single flat-rate rate of 12.8%, or, at the shareholder's express and irrevocable option, to the progressive scale of income tax (art. 200 A, 2 new of the General Tax Code).

If applicable, the option is exercised each year when the tax return is filed and no later than the filing deadline. It is also global and covers all income (dividends, interest, etc.), gains (capital gains on the sale of corporate rights), profits and receivables realised during the year in question and falling within the scope of the single flat-rate levy.

If this option is exercised, dividends are taken into account in overall income for their net amount after application of a 40% allowance and deduction of expenses incurred to acquire or retain the income (Articles 13, 2 and 158, 3-1° of the General Tax Code).

2°) Social security contributions

In general, the CSG rate was increased by 1.7 percentage points by the Social Security Financing Act for 2018. As a result, the overall rate of social security contributions has also been increased. For investment products such as dividends, the rate increase applies to operative events occurring on or after 1 January 2018.

Consequently, the income distributed as from that date is subject to social security contributions at a rate of 17.2% (instead of 15.5% for dividends received before 1 January 2018) (CSG at 9.9%; CRDS at 0.5%; social security contribution at 4.5%; additional contribution to the social security contribution at 0.3% and solidarity contribution at 2%).

In the same way as the non-dischargeable flat-rate withholding tax, these social security contributions are calculated on the gross amount of the dividend received, deducted and paid to the Treasury by the Company.

The net amount paid by the Company to the individual shareholder therefore corresponds to the gross amount of the dividend, less the flat-rate non-repayable income tax withholding tax and social security contributions.

It is specified that the above-mentioned tax rules are subject to retroactive changes made by year-end budget collectives.

This dividend will be paid by CACEIS Corporate Trust - 14 rue Rouget de Lisle - 92 130 Issy-Les-Moulineaux - France, as from the date of the General Meeting.

In addition, we inform you that the amounts distributed as dividends for the previous three financial years were as follows:

Financial Year	Income eligible for the deduction		Income not eligible for the deduction
	Dividends	Other distributed incomes	
2013/2014	2,510,608 €	/	/
2014/2015	2,510,608 €	/	/
2015/2016	2,510,608 €	/	/

IX - NON TAX-DEDUCTIBLE EXPENSES

In accordance with the provisions of articles 223 quarter et quinques of the General Tax Code, we advise you that the accounts for the financial year include the sum of € 33,141, which corresponds to non-tax deductible expenditure (article 39-4 of the General Tax Code).

X - ASSESSMENT OF THE DIRECTORS' FEES TO BE ALLOCATED TO THE SUPERVISORY BOARD MEMBERS

We hereby propose that you set the Directors' Fees for members of the Supervisory Board to an overall sum of € 34,000 for the current financial year.

XI - AUTHORISATION TO THE MANAGING BOARD TO PURCHASE COMPANY SHARES ON THE STOCK MARKET

In accordance with the provisions of article L.225-209 of the Commercial Code, we request that you decide whether to grant the Managing Board the authority to purchase its own company shares.

For this purpose you are presented with a detailed purchasing programme such as has been drawn up by the Managing Board which you can read and which will be part of a special resolution and subject to your vote

XII - INFORMATION ON COMPANY PARTNERS AND EXECUTIVES

List of company mandates:

The members of the Supervisory Board appointed by the Extraordinary General Meeting of 27th March 2013 are the following:

- Mr Serge ZASLAVOGLU
- Mr Louis-Michel ANGUE
- Mr Henri CYNA
- Mr Pierre GUILLERAND
- Mr Roland ROC
- Mrs Jeannine ZASLAVOGLU

Mr. Cyna and Mr. Roc resigned and Mrs. Marie Paule Roc was appointed as member of the Supervisory Board by the General Shareholders Meeting held on 31 March 2017.

Following these resignations and this appointment, the Supervisory Board composition comply with principle of male-to-female parity as per Article L. 225-69-1 of the French commercial code.

Members of the Supervisory Board are appointed for a term of six years and may be re-elected. Nobody may be appointed as a member of the Supervisory Board, if over the age of eighty. The appointment has the effect to hold one third of Supervisory Board members above that age. If this proportion is exceeded, the oldest member of the council shall be deemed to resign after the General Assembly approve the accounts of the year in which the exceeding will occur. At the date hereof, no member of the Supervisory Board is more than 80 years old.

The Supervisory Board meeting of 27 March 2013 appointed Mr Serge ZASLAVOGLU, President of the Supervisory Board and Mrs Jeannine ZASLAVOGLU, Vice Chairman of the Supervisory Board.

The mandates of Mr Serge Alexis ZASLAVOGLU, Chairman of the Managing Board, and Mr Grigori ZASLAVOGLU, Managing Director, were renewed on 31st March 2015 by the Supervisory Board.

Members of the Managing Board are appointed for the duration of four years and can be re-elected. They can be dismissed by the Supervisory Board. The age limit for the exercise of duties for a member of the Managing Board is 75 years.

The Managing Board is invested with extensive powers to act on behalf of the company in all circumstances within the limit of the objectives and subject to those attributed by law to the Supervisory Board and Shareholder's Meeting

The Managing Board cannot determine or authorise the issuing of bonds.

In accordance with the provisions of Article L.225-102-1 of the Commercial Code, listed hereafter are the Offices and positions held in all companies by each of the Members of the Boards:

1/ Mr Serge ZASLAVOGLU, President of the Supervisory Board

Number of GEA shares held: 405,938 corresponding to 811,784 voting rights.

Other positions:

- Manager of the real estate company “SCI DE CANASTEL”
- Manager of the real estate company “KALISTE”
- Manager of the real estate company “EPSILON”
- Manager of the real estate company “SCI SANTA CRUZ
- Manager of the limited liability company (SARL) DEA
- Manager of the limited liability Company SZ Consulting.

2/ Mr Louis-Michel ANGUE, Member of the Supervisory Board

Number of GEA shares held: one corresponding to 2 voting rights

Other positions: None

3/ Mr Henri CYNA, Member of the Supervisory Board until 31 March 2017

Number of GEA shares held: 450 corresponding to 500 voting rights

Other positions: None

4/ Mr Pierre GUILLERAND, Member of the Supervisory Board

Number of GEA shares held: 10 shares corresponding to 20 voting rights

Other positions:

- Vice President and member of the supervisory board of the company PGO.
- Permanent Representative of the EEM company at the board of SAIP (company listed on the Paris open market)
- Permanent Representative of the DUNA Company at the board of CS Communication and Systems (Company listed on Euronext)
- Permanent representative of EEM, now Viktoria Invest, on the Board of Directors of the company anonymous Parisian real estate of pearl and precious stones (SAIP from May 2006 to mid-October 2017)

5/ Mr Roland ROC, Member of the Supervisory Board

Number of GEA shares held: 51 shares corresponding to 52 voting rights

Other positions: None

6/ Mrs Jeannine ZASLAVOGLOU, Vice-Chairman of the Supervisory Board

Number of GEA shares held: 1,600 shares corresponding to 3,200 voting rights

Other positions: None

7/ Mrs Marie-Paule ROC, Member of the Supervisory Board from 31/03/2017

GEA shares held: 51 shares corresponding to 52 voting rights

Other positions: None

8/ Mr Serge Alexis ZASLAVOGLOU, President of the Managing Board

Number of GEA shares held: 21,800 shares corresponding to 29,900 voting rights

Other positions: None

9/ Mr Grigori ZASLAVOGLOU, Managing Director

Number of GEA shares held: 26,700 shares corresponding to 34,700 voting rights

Other positions :

- Manager of the GEA branch in the Ivory Coast ;
- Manager of the GEA branch in Greece ;

- Manager of the GEA branch in Tunisia ;
- Manager of the GEA branch in Russia.

Compensation of company executives

Pursuant to the provisions of Article L.225-102-1, sub-paragraph 3 of the Commercial Code, we will render account hereafter of the total compensation and benefits of any kind paid during the past fiscal year to each company representative and will also indicate the commitments of any kind made by the Company for the benefit of its company executives, corresponding to compensation items, allowances, or benefits likely to be owed for their responsibilities, as well as the methods of determining these commitments, namely:

- **Mr Serge ZASLAVOGLU**: € 208,216.01 as follows:

Type of remuneration	Financial Exercice 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Expenses reimbursement	€ 8,216.01	€ 8,216.01	€ 4,647.49	€ 4,647.49
Benefit in kind (in a personal use of the company aircraft)	none	none	none	none
Remuneration as Chairman of the Supervisory Board	€ 100,000	€ 100,000	€ 100,000	€ 100,000
Attendance fees	€ 10,000	€ 10,000	€ 10,000	€ 10,000
Income for specific missions	€ 90,000	€ 90,000	€ 90,000	€ 90,000
TOTAL	€ 208,216.01	€ 208,216.01	€ 204,647.49	€ 204,647.49

- Mr Serge Alexis ZASLAVOGLOU: € 288,771.83 as follows:

Type of remuneration	Financial Exercise 2016/2017		Financial Exercise 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Gross fixed annual salary, paid holidays and seniority premium the employment contract	€ 95,472.41	€ 95,472.41	€ 108,103.97	€ 108,103.97
Variable salary under the employment contract according to the level of business of the company	€ 79,242.18	€ 79,242.18	€ 97,339.81	€ 97,339.81
Variable pay according to the operating result of the company under the Board mandate (President of the Managing Board)	€ 40,000	€ 24,000	€ 40,000	€ 24,000
Expenses reimbursement	€ 62,233.24	€ 62,233.24	€ 24,959.13	€ 24,959.13
Benefit in kind (in a personal use of the company aircraft)	€ 11,824	€ 2,544	€ 21,094	€ 0
Specific advantages for termination or change of function deferred pay, severance and pension obligations, termination, without cause real and serious, or loss of employment due to a public offer)	None	None	None	None
TOTAL	€ 288,771.83	€ 263,491.83	€ 269,537.78	€ 232,443.78

- Mr Henri CYNA: € 6,000.00 as follows:

Type of remuneration	Financial Exercise 2016/2017		Financial Exercise 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Attendance fees	€ 6,000	€ 6,000	€ 6,000	€ 6,000
Benefit in kind (in a personal use of an ETC Badge)	none	none	€ 17.50	€ 17.50
Reimbursement of expenses	none	none	none	none
TOTAL	€ 6,000.00	€ 6,000.00	€ 6,017.50	€ 6,017.50

- Mr Louis-Michel ANGUE: € 6,000.00 as follows:

Type of remuneration	Financial Exercise 2016/2017		Financial Exercise 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Attendance fees	€ 6,000	€ 6,000	€ 6,000	€ 6,000
TOTAL	€ 6,000	€ 6,000	€ 6,000	€ 6,000

- Mr Pierre GUILLERAND: € 6,000.00 as follows:

Type of remuneration	Financial Exercise 2016/2017		Financial Exercise 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Attendance fees	€ 6,000	€ 6,000	€ 6,000	€ 6,000
TOTAL	€ 6,000	€ 6,000	€ 6,000	€ 6,000

- Mr Roland ROC: € 3,000.00 as follows:

Type of remuneration	Financial Exercise 2016/2017		Financial Exercise 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Attendance fees	€ 3,000	€ 3,000	€ 6,000	€ 6,000
TOTAL	€ 3,000	€ 3,000	€ 6,000	€ 6,000

- Mrs Jeanine ZASLAVOGLOU: € 6,000.00 as follows:

Type of remuneration	Financial Exercise 2016/2017		Financial Exercise 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Attendance fees	€ 6,000	€ 6,000	€ 6,000	€ 6,000
TOTAL	€ 6,000	€ 6,000	€ 6,000	€ 6,000

- Mrs Marie-Paule ROC: € 3,000.00 as follows:

Type of remuneration	Financial Exercise 2016/2017		Financial Exercise 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Attendance fees	€ 3,000	€ 3,000	none	none
TOTAL	€ 3,000	€ 3,000	none	none

- Mr Grigori ZASLAVOGLU: € 169,675.56 as follows:

Type of remuneration	Financial Exercise 2016/2017		Financial Exercise 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Total amount during financial year
Gross fixed annual salary, paid holidays and seniority premium under the employment contract	€ 82,513.32	€ 82,513.32	€ 84,366.66	€ 84,366.66
Variable salary under the employment contract according to the level of business of the company	€ 19,806.50	€ 19,806.50	€ 24,334.89	€ 24,334.89
Variable pay according to the operating result of the company under the Board mandate (President of the Managing Board)	€ 40,000	€ 24,000	€ 40,000	€ 24,000
Remboursement de frais	€ 6,386.74	€ 6,386.74	€ 42,613.78	€ 42,613.78
Benefit in kind (in a personal use of the company aircraft)	€ 20,969	€ 5,856.50	€ 26,394	€ 0
Specific Advantages for termination or change of function (deferred pay, severance and pension obligations, termination without cause real and serious or loss of employment due to a public offer)	None	None	None	None
TOTAL	€ 169,675.56	€ 138,563.06	€ 217,709.33	€ 175,315.33

XIII – SUMMARY OF OPERATIONS PERFORMED ON THE SHARES OF THE COMPANY BY EXECUTIVES DURING THE YEAR

None.

XIV – RENEWAL OF THE DIRECTORS' AND AUDITORS' MANDATES

1/ The mandates of the members of the Supervisory Board have been renewed for a term of 6 years during the shareholders' meeting held on 27th march 2013. These mandates will expire at the Meeting, which will be called upon to vote on the financial statements closed on September 30, 2018. Mrs. Roc was appointed at the meeting of March 31, 2017. Her term of office will expire at the Annual General Meeting, which will be called upon to pronounce on the accounts closed on September 30, 2022.

2/ The Supervisory Board at its meeting held after the Ordinary General Meeting of 31st March 2015, has renewed the mandates of Members of the Managing Board Serge Alexis ZASLAVOGLU and Mr Grigori ZASLAVOGLU for a further period of four years.

3/ The mandates of the company «GRANT THORNTON» as a statutory auditor, and that of society» INSTITUTE MANAGEMENT AND ACCOUNTING - IGEC « as deputy Statutory Auditor, were renewed for a period of six years during the Ordinary General Meeting of 27th March 2012.

With the European audit reform, the procedures for appointing the Statutory Auditors of a Public Interest Entity (PIE) have been modified, with an obligation to change the statutory auditors beyond a term of office. 10 years (Article L.823-3-1 of the French Commercial Code) with, at the end of this term, a call for tenders procedure for the appointment of new Statutory Auditors (Article L.823-1 II of the Commercial Code). The term of office remains fixed at SIX (6) financial years in France (Article L.823-3 of the French Commercial Code).

However, the European regulation provides for transitional provisions (EU Regulation 537/2014 of 16 April 2014, Article 41.2). which aim to spread the first application of the procedure of mandatory rotation of auditors according to the seniority of the mandate.

The result with respect to the company GEA, is that the mandate of the Statutory Auditor, since the company became an EIP, has a seniority greater than 11 years but less than 20 years, appreciated as of June 17, 2014, and consequently the rotation mandatory does not concern it yet and will apply only from June 17, 2023 after the expiration of the mandate.

In these circumstances, it is proposed to proceed to the renewal of the terms of office of the Statutory Auditor and Alternate Auditor for a new term of SIX (6) financial years, ie until the end of the annual ordinary general meeting called to decide on the accounts for the financial year ended September 30, 2023.

XV – OBSERVATIONS FROM THE EMPLOYEES REPRESENTATIVE COUNCIL

We hereby state that the employees' representative council convened on 29th January 2018 had no observations to make regarding the accounts of the past financial year, as authorised by the provisions of article L.2323-8 of the French Labour Code.

XVI - CONVENTIONS STIPULATED BY ARTICLES L.225-79-1, L.225-86 and L.225-90-1 OF THE COMMERCIAL CODE

We hereby request that you approve the agreements and commitments stipulated by above mentioned articles, duly authorised by the Company Supervisory Board during the financial year. Your Statutory Auditor has been informed of these agreements and commitments that it will cover in its special report, it being specified that we have informed it, on the other hand, in accordance with Article R.225-59 of the Commercial Code, of the agreements described in Article L.225-87 of the said Code bearing on current operations and signed under normal conditions.

XVII - DECISIONS OF THE COMPETITION AUTHORITY FOR ANTICOMPETITIVE PRACTICE (ARTICLE L.464-2, I- paragraph 5 OF THE COMMERCIAL CODE)

GEA has not been subject to any injunction or penalty imposed by the Competition Authority for anticompetitive practices.

XVIII – INFORMATION REGARDING LABOUR AND ENVIRONMENTAL RESPONSIBILITY

Under the aegis of article 255 of the Grenelle 2 law from July 2010, GEA is required to publish CSR information in their management report and to have this approved by an independent third-party inspection organisation (OTI). Their report will be published later.

Concerning GEA's various activities, the following areas are excluded from this, as they are judged to be immaterial :

- Resources devoted to preventing environmental risks and pollution,
- Steps taken to prevent, reduce or repair emissions into the air, water or ground which can damage the environment,
- Taking into consideration all noise pollution, or any sector-specific pollution,
- Actions to fight against food waste
- Water consumption and supply according to local constraint,
- Land use,
- Steps taken to preserve or develop biodiversity.

1/Labour information

Employment: As of 30 September 2017, the total number of GEA employees was 198, 155 of whom are men and 43 of whom are women.

- 1 employee was 18 to 25 years of age (1 on 30/09/16)
- 31 employees were 26 to 35 years of age (35 on 30/09/16)
- 49 employees were 36 to 45 years of age (53 on 30/09/16)
- 72 employees were 46 to 55 years of age (76 on 30/09/16)
- 45 employees were 56 to 65 years of age (42 on 30/09/16)

The average workforce was 196 employees as of 30 September 2017, compared to 209 as of 30 September 2016.

Nearly all of the workforce (97 %) is based on the company's single production site located in Meylan in Isère. A team of 5 people for maintenance of parking areas is based in the region of Paris and in than PACA region. One employee working for the commercial department is based in Paris.

During the fiscal year 3 persons were hired under employment contract for an unspecified duration, one was laid off, one negotiated departure has been signed and 6 retired.

Payroll for the fiscal year was € 13,830,116, including the contributions of € 4,267,313, compared to € 14,485,539 in the preceding fiscal year (€ 4,517,600 of which were payroll contributions).

Organization of work: The 35 hour working week took effect in the company at the beginning of 2000. Executives work under contracts for a given flat number of days per year (which is 218) and contracts without reference to hours.

Certain employees chose to work part time, of which 4/5ths were for parental leaves or other reasons for part-time work.

There were 2,720 days of absence (maternity leaves, family events, paternity leaves and illnesses), (compared to 3,251 days the year before).

Labour relations: The bodies representing employees (Works Council, Employee Representatives, Health, Safety and Working Conditions Committee) are convened in meetings on the dates and at a periodicity specified by the legal provisions, at which any subjects falling within their respective areas of competence may be addressed.

The Works Council is kept regularly informed in accordance with the legal provisions.

During the fiscal year, no collective labour agreement was negotiated and signed.

Health and safety: To facilitate steps for risk prevention in the company, a single document of risk assessment was drafted with the Health, Safety and Working Conditions Committee, which is updated each year.

A policy for preventing road risks has been established for a number of years, with the company particularly prohibiting its travelling employees from taking to the road as drivers after a day of work, and covering all of the accommodation expenses they may incur during their travels. Two fire drills are carried out each year on the Meylan site to familiarize all of the employees with the procedure for urgent evacuation of premises.

Training of personnel in workplace first-aid and sessions in the recycling of employees are organized every year in consultation with the Health, Safety and Working Conditions Committee). The Health, Safety and Working Conditions Committee meets quarterly to analyze and improve the working conditions.

No agreement was signed during the fiscal year with the unions or the employee representatives regarding workplace health and safety. There were 8 occupational injuries in the company, which were the cause of 57 days of employee absence (compared to 9 occupational injuries and 154 days of absence during the previous year).

Methodology for calculation:

- Frequency rate: $(\text{Number of injuries} / \text{worked hours}) \times 1,000,000$

- Severity rate: $(\text{Number of days lost due to temporary disability} / \text{worked hours}) \times 1,000$

The frequency rate of occupational injuries over the fiscal year was 17.08 (19.9 one year before).

The severity rate of occupational injuries over the fiscal year was 0,16 (0,4 one year before). The risks related to occupational illnesses are subject to preventive measures implemented in close consultation with the Health, Safety and Working Conditions Committee (improvement particularly in workstation ergonomics in order to prevent musculoskeletal disorders).

Training: Each year, the company draws up a training programme based on the training needs of each department.

The needs for training are determined by a strategic analysis by each department head. Each employee makes a request for training at annual individual meetings. Then arbitration is conducted by the general management.

The training programme is submitted to the Works Council for its opinion.

The programme may be changed during the course of a year as a function of needs that might appear.

An interim review of the level of training that has been realized is conducted annually and

submitted to the Works Council for its information.

The total number of training hours over the fiscal year was 602 (23 employees).

Equality of treatment : Since men and women appear to be treated equally in the company, no particular measure was taken in that regard during the fiscal year.

However, it is to be noted that the management and labour unions, in the context of the annual negotiations agreement concluded on 19/12/2012, were able to monitor the indicators in the area of hiring and in the articulation between the occupational activity and the exercise of family responsibility, that were introduced in the former agreement.

Following the publication of decree n° 2012-1408, a new indicator was introduced during the fiscal year by the management and unions regarding effective remuneration for employees returning from parental leave.

The company makes every effort to hire handicapped workers (4 people as of 30 September 2017).

It also retains subcontractors through enterprises engaged in the provision of jobs to the unemployed handicapped workers, or through the work-based support centre (known in France as CAT).

Also, in 2017 the company paid € 31,379.15 to the Fund for hiring of the handicapped.

The company does not discriminate in its hiring, or in its policies regarding wages and promotions, based on a person's gender, religion, state of health, traditions, national origin or political opinions. The general policy of equality of treatment will continue to apply.

Promotion of and compliance with the stipulations of the International Labour Organization's basic agreements: By virtue of its adherence to the United Nations Global Compact, the company is committed to adhering to the principle of freedom of association and the right to collective bargaining.

In that regard, it is also committed to eliminate any discrimination in employment and occupation, as well as any forced or mandatory labour.

Finally, it promotes effective abolition of child labour.

2/ Environmental information

General environmental policy: The company's business does not fall within the purview of article L. 225-102-2 of the Commercial Code regarding facilities listed in IV of article L. 515-8 of the Environmental Code.

Therefore, no steps in environmental evaluation and certification were taken. Also, no specific actions for training and information to employees regarding environmental protection were carried out. No provisions or guarantees were constituted for environmental risks. However, by virtue of its adherence to the United Nations Global Compact, the company intends, if necessary, to adopt a precautionary approach.

It will extend every effort to promote greater responsibility with respect to the environment.

It already supports the development and distribution of technologies respectful of the environment.

Pollution and waste management: The company's business does not entail a significant "production" of waste.

The company does, however, have a waste sorting strategy which separates waste into three categories.

- Electrical and electronic waste (rejected circuit-boards, cable trim, dead batteries, outdated or unusable computer equipment) is kept in a special skip. Removal, recycling and reprocessing operations are subcontracted to a certified company (RAS: Recycling Advantage System, based in Domène, Isère).
- Normal industrial waste (cardboard, various packaging, office waste) is kept in a skip fitted with a compactor. Removal, recycling and reprocessing operations are subcontracted to the SITA Centre-Est Company, and in particular to their Pont de l'Isère agency in the Drôme region (SUEZ Environment),
- Tin scoria is stored and then recycled. It is then reprocessed by the specialist Aérométal Company in Gergy (71590). In the 2016/2017 financial year, no removal of tin slag.

Sustainable use of resources /raw material consumption: For our production processes, the company buys all of the necessary electronic components, cables and sheet metal from external suppliers. No measures have been put in place to control their use.

Energy consumption:

- Diesel fuel consumption (fleet vehicles, company aircraft):
2016/2017: 61,527 liters (2015/2016: 68,367 liters)
(accounting expense of € 74,343.67 over the financial year)
- Electricity consumption (lighting, heating, ovens):
2016/2017: 907 138 kWh (2015/2016: 906 715 kWh)

Climate change: Scope 1 greenhouse gas emissions (direct, linked to diesel consumption) and 2 (indirect consumption related to electricity consumption):

Emissions factors	2016/2017	2015/2016
Greenhouse gas emissions related to electricity consumption	65,314	65,283
Greenhouse gas emissions related to diesel consumption	190,790	211,858
Total greenhouse gas emissions	256,104	277,141

Scope 3: other indirect emissions, such as the extraction of materials purchased by the company for the realization of the product or emissions related to the transportation of employees and customers coming to buy the product

The company supports the development and distribution of technologies respectful of the environment. In that regard, with respect to implementation of the Grenelle Environmental Targets, the development and deployment of free-flow automatic toll lanes (30 km/h) enables a reduction in greenhouse gas emissions (CO₂).

Also, when possible, the company gives priority to selection of local subcontractors for its production in order to minimize the impact of transport on the environment.

To our knowledge, our suppliers have not put in place action plans to reduce their GHG emissions. In addition, for our main clients we can not say that they monitor, take advantage of the expertise of independent external auditors and are the subject of a publication, with the integration of action plans for a reduction of greenhouse gas emissions.

The company does not use any renewable energy.

In accordance with the EN 16247-1 and 16247-3 standards (European Directive 2012/27, confirmed by the DDADUE law), the company brought in an approved inspection agency to run an energy audit on the 02/11/2015.

3/ Labour commitments in favour of sustainable development

Territorial, economic and labour impact of the company's business: Nearly all of the company's production is realized in France on its single site of Meylan in Isère. A small portion of the production is subcontracted locally or regionally.

Hence, the company provides jobs only to local people, which has a beneficial impact on the rate of employment in neighbouring or local populations.

Relationships maintained with individuals or entities that are interested in the company's business, particularly associations for the unemployed, educational institutions, associations for environmental protection, associations of consumers and neighbouring populations.

To the extent that its means and size permit, the company extends every effort to accept trainees when such is requested by the region's secondary schools, universities or engineering schools. Given the nature of its business, the company does not maintain any relationship with associations for environmental protection or associations of consumers and neighbouring populations.

Subcontracting and suppliers: By virtue of its adherence to the United Nations Global Compact, the company is committed to integrating criteria for respect of the environment in the selection of its suppliers and subcontractors.

Hence, it retains local subcontractors and has clearly made the choice of not relocating its production.

Fair and honest practices: In adhering to the United Nations Global Compact, the company is committed to act fairly and honestly in its business relationships, and to refrain from any abusive or illegal behaviour, as well as abuses and practices that restrict competition.

It scrupulously avoids any behaviour or facts that might be characterized as active or passive corruption, or complicity in influence peddling and favouritism during the negotiation and execution of contracts.

Also, the company delivers its equipment to its customers that is in conformity with the applicable standards, thus complying with its obligations regarding health and safety.

Actions in support of human rights: The company has subscribed to principles n° 1 and 2 of the United Nations Global Compact.

Hence, in its sphere of influence, it is committed to promoting and abiding by the protections of international law regarding human rights.

It is also committed to scrupulously avoiding complicity in any violations of human rights.

4/ Methods report

Reporting period: Unless stated otherwise, the information covers the period from the 1st of October 2016 to the 30th of September 2017.

Scope of the report: The entire company, and all establishments both in France and around the world.

Reporting methods:

General: The reporting process is placed under the authority of the managing director, who centralises all of the information from the administrative and financial departments.

All of the information is real and accurate, with the exception of the information concerning energy consumption and the corresponding greenhouse gas emissions (estimates), in addition to the information concerning the hours worked by management personnel (see the social indicators below).

Social indicators:

- **workforce and flows:** total workforce for the company and all of the establishments in France and around the world; all types of contract except temporary (fixed-term, permanent, apprenticeship)
- **Absenteeism:** the days accounted for are working days. Absences following accidents in the workplace are not included.
- **Hours worked:** the hours accounted for are real and accurate for non-management personnel and theoretical for managers (daily or without hour references).
- **Accidents in the workplace:**
 - all accidents are taken into consideration (including during business trips and commuting)
 - The days accounted for are normal working days
 - the days off are counted from the first day of the accident
 - Details of the calculations for the Severity and Frequency Rate:
 - Frequency rate: (number of accidents with time off / hours worked) x 1,000,000
 - Severity rate: (number of days lost due to temporary incapacity / hours worked) x 1,000
 - Training: the population accounted for is the same as the workforce described above.

Environmental indicators:

- **Diesel consumption:** the number of litres of diesel has been estimated by using the accounting expenses alongside the average sale price for diesel (from the INSEE)
- **Electricity consumption:** the number of kWh consumed comes from a summary table provided by the electricity provider. The information is provided for the period from the 1st of October 2016 to the 30th of September 2017.
- **Greenhouse gas emissions:** Greenhouse gas emissions are calculated according to the emission factors listed in the ADEME v7.1 Carbon Report:
 - EF Electricity (France, pre-production and production) = 0.072kg eq. CO₂ per kWh - EF Diesel (France, pre-production and combustion) = 3.17kg eq. CO₂ per liter.
 - FE Kerosene aviation (France, upstream and combustion) = 3.04 kg eq. CO₂ per liter

XX - INTER-ENTREPRISE LOANS

GEA has not entered into any outstanding loan agreement pursuant to Article L.511-6 of the French Monetary and Financial Code.

XXI - AUDIT BY THE STATUTORY AUDITOR

In compliance with legal and regulatory provisions, the Statutory Auditor's reports are available for consultation.



We hope that the preceding propositions will receive your approval and that you will be willing to approve the resolutions being submitted to you.

The Managing Board

RESULTS (AND OTHER TYPICAL ELEMENTS) OF THE COMPANY DURING THE LAST FIVE FINANCIAL YEARS

(in euros)

NATURE OF THE ITEMS	Financial year 2012/2013	Financial year 2013/2014	Financial year 2014/2015	Financial year 2015/2016	Financial year 2016/2017
CAPITAL AT THE END OF THE FINANCIAL YEARS					
Registered capital	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000
N° of ordinary shares	1,195,528	1,195,528	1,195,528	1,195,528	1,195,528
N° of shares with priority dividend (with voting right)	0	0	0	0	0
Max. Number of shares to be created in the future	0	0	0	0	0
OPERATIONS AND RESULTS OF THE FINANCIAL YEARS					
Turnover	78,084,568	55,578,975	57,942,693	50,580,842	40,841,855
The result before tax, employee, profit sharing and depreciation allowances and provisions	22,718,418	13,341,665	13,326,124	9,653,596	8,693,326
Tax on profits	7,178,982	3,768,208	4,132,822	2,528,707	2,630,527
Sum due for the profit sharing scheme for the financial year	1,756,982	878,258	950,998	431,200	359,696
Result after taxes, profit sharing and depreciation allowances and provisions	13,415,039	8,131,674	7,768,833	6,889,516	6,199,670
Profit distributed	4,005,019	2,510,609	2,510,609	2,510,609	2,510,609
PROFITS PER SHARE					
Result after taxes, profit sharing but before depreciation allowances and provisions	11.53	7.27	6.89	5.59	4.77
Result after taxes, profit sharing and depreciation allowances and provisions	11.22	6.80	6.50	5.76	5.19
Dividende allocated per share	3.35	2.10	2.10	2.10	2.10
PERSONNEL					
Average workforce employed during the financial year	217	215	211	209	196
Total amount of salaries paid	10,286,597	10,061,353	9,971,539	9,967,940	9,451,930
Amount of sums paid for fringe benefits during the financial year, (social security, social works, etc.)	4,613,266	4,302,508	4,407,663	4,513,681	4,378,185

TABLE OF VALID DELEGATIONS GRANTED BY THE GENERAL MEETING OF SHAREHOLDERS TO THE MANAGING BOARD IN THE FIELD OF CAPITAL INCREASES PURSUANT TO ARTICLE L.225-129-1 AND L.225-129-2 OF THE COMMERCIAL CODE

Date of the General Assembly	Purpose of the delegation	Duration of validity of the delegation	Date of use of the delegation, if any	Terms of use of delegation
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NONE

REPORT OF THE SUPERVISORY BOARD To the Annual General Shareholders' Meeting of 30th March 2018

Ladies and Gentlemen,

We would like to remind you that in application of Article L.225-68 of the Commercial Code, the Supervisory Board must present its comments on the annual financial statements approved by the Managing Board to the Annual Shareholders' General Meeting, as well as on the Management Report submitted to the meeting.

We specify that the annual financial statements for the fiscal year ending on 30th September 2017 and the Management Report were provided to the Supervisory Board within the deadlines set out in the legal and regulatory provisions.

The financial statements for the said fiscal year reveal the following main items:

- Balance sheet total: € 103,194,089
- Revenues: € 40,841,855
- Result of the financial year: € 6,199,670 profit

We have no specific comments to make, neither concerning the Management Board Report nor the financial statements for the fiscal year ending on 30th September 2017.

Completed in PARIS
25th January 2018
The Supervisory Board

REPORT OF THE STATUTORY AUDITORS, APPOINTED AS INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED HUMAN RESOURCES, ENVIRONMENTAL AND SOCIAL INFORMATION INCLUDED IN THE MANAGEMENT REPORT

This is a free English translation of the statutory auditors' report issued in French 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 standards applicable in France.

For the year ended September 30th 2017

To the Shareholders,

In our capacity as statutory auditor of GEA, (the "Company"), appointed as independent third party and certified by COFRAC under number n° 3-1080 1, we hereby report to you on the consolidated human resources, environmental and social information for the year ended September 30th 2017, included in the management report (hereinafter named «CSR Information»), pursuant to article L.225-102-1 of the French Commercial Code (Code du Commerce).

Company's responsibility

The Board of directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the procedures used by the Company (hereinafter the «Guidelines»), available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (Code de déontologie) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

¹ whose scope is available at www.cofrac.fr

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved three persons and was conducted in January 2018 during approximately one week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000 2 concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

Conclusion

Based on the work performed, we attest that the required CSR Information has been disclosed in the management report.

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted around three interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;

² ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important 3:

- we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represent the completeness of data (the perimeter integrated a single entity).

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Lyon, January 31st 2018

French original signed by one of the statutory auditors:

Grant Thornton

French member of Grant Thornton International

Thierry Chautant

Partner

³ HR & Safety information: employees (basis of age, gender, and geographic area); hiring and firing; absenteeism; accident frequency rate; severity rate; number of hours of training.

Environment information: electricity consumption, oil consumption, waste, GHG emissions linked to oil consumption; GHG emissions linked to electricity consumption.

CSR qualitative information: economic, social and territorial impact of the activity of the company; relationships maintained with people or organisations concerned by the activity of the company.

STATUTORY AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the financial statements issued in French and it is provided solely for the convenience of English speaking users.

The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit 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 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.

For the year ended September 30th 2017

To the shareholders,

Opinion

In execution of the mission entrusted to us by your general meeting, we have audited the annual accounts of GEA for the financial year ended September 30, 2017, as attached to this report.

We certify that the annual accounts are, in the light of French accounting rules and principles, fair and accurate and give a true and fair view of the results of the operations of the past financial year and the financial position and assets of the company at the end of the year. this exercise.

The opinion expressed above is consistent with the content of our report to the Supervisory Board performing the functions of the Audit Committee.

Basis of opinion

Auditing framework

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

Our responsibilities under these standards are set out in the «Auditor's Responsibilities for the Audit of the Annual Accounts» section of this report.

Independence

We conducted our audit mission in accordance with the independence rules applicable to us, from October 1, 2016 to the date of our report, and in particular we did not provide any services prohibited by Article 5 (1) of Regulation (EU) No 537/2014 or the Code of Ethics for the profession of External Auditor.

Justification of the assessments - Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key points of the audit relating to the risks of material misstatement which, according to our professional judgment, were the most important for the audit of the annual accounts of the year, as well as the answers we have given to these risks.

The assessments thus made fall within the context of the audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We do not express an opinion on items in these separate annual accounts.

Revenue recognition and valuation of trade receivables and work in progress

Risks identified

Due to the technical specificities of the contracts, the turnover is recognized according to the contractual provisions and the margin is taken into account when the facilities are completed. Deferred revenue corresponds to invoiced products for their share, which exceeds the actual completion rate of the work, as indicated in note 2 of the appendix «Accounting rules and methods (h) and (i)».

The amount of revenue, work in progress and deferred income to be recognized in each financial year depends on the stage of completion of the operations in relation to the various contractual stages.

We considered controlling these elements as a key point of the audit.

Audit procedures implemented in response to these risks

Our work consisted in evaluating the process and the controls put in place by management to assess the level of evolution of each contract for the initiation of invoicing and fix its amount, as well as to identify the costs incurred during the course of the contract. exercise and their connection to ongoing projects; to ensure by testing the determination and evaluation of work in progress that does not yet correspond to a billing step by overlapping with the contractual provisions, finally to verify that the purchases consumed and other charges and the products are well recorded over the period.

Audit of the management report and other documents addressed to shareholders

In accordance with the professional standards applicable in France, we have also performed the specific verifications required by law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board and in the other documents addressed to the shareholders with respect to the financial position and the financial statements.

With regard to the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on remuneration and benefits paid to corporate officers and the commitments made in their favor, we have verified their consistency with the financial statements. or with the data used to draw up these accounts and, where applicable, with the information collected by your company from companies controlling or controlled by your company. On the basis of this work, we certify the accuracy and sincerity of this information.

In application of the law, we made sure that the various information relating to the identity

of the owners of the capital or the voting rights were communicated to you in the report of management.

Information resulting from other legal and regulatory requirements

Designation of the auditor

We were appointed statutory auditor of GEA by the General Meeting of March 12, 1976.

As at September 30, 2017, Grant Thornton was in the 41st year of its mission without interruption, including 22 years since the company's securities were admitted to trading on a regulated market.

Responsibilities of the management and the persons constituting the corporate governance concerning the annual accounts

It is the responsibility of management to prepare annual accounts presenting a true and fair view in accordance with French accounting rules and principles and to set up the internal control that it deems necessary for the preparation of annual accounts that do not contain any significant anomalies. that they come from fraud or result from errors.

When preparing the annual accounts, it is the responsibility of management to assess the ability of the company to continue as a going concern, to present in these accounts, where appropriate, the necessary information relating to the continuity of operations and apply the going concern accounting policy unless it is intended to wind up the company or cease trading.

It is the responsibility of the Supervisory Board performing the functions of the Audit Committee to follow the process of preparing financial information and to monitor the effectiveness of the internal control and risk management systems, as well as, where applicable, the internal audit, as regards the procedures relating to the preparation and processing of accounting and financial information.

The annual accounts have been approved by the Executive Board.

Responsibilities of the statutory auditor in relation to the audit of the annual accounts

Objective and approach of audit

It is our responsibility to prepare a report on the annual accounts. Our objective is to obtain reasonable assurance that the financial statements taken as a whole do not contain any material misstatements. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit performed in accordance with the standards of professional practice can systematically detect any significant anomaly. Anomalies may arise from fraud or error and are considered significant when it can reasonably be expected that they, individually or cumulatively, can influence the economic decisions that account users take. based on these.

As specified by Article L.823-10-1 of the French Commercial Code, our mission of certification of accounts is not to guarantee the viability or the quality of the management of your company.

As part of an audit conducted in accordance with the professional standards applicable in France, the statutory auditor exercises his professional judgment throughout this audit. In addition :

- It identifies and assesses the risks of significant misstatement of the annual accounts, whether these arise from fraud or error, defines and implements audit procedures to address these risks, and collects that he considers sufficient and appropriate to base his opinion. The risk of not detecting a significant anomaly from fraud is higher than that of a significant misstatement

resulting from an error, as the fraud may involve collusion, forgery, voluntary omissions, misrepresentation or circumventing internal control;

- It becomes aware of the internal control relevant to the audit in order to define appropriate audit procedures in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the internal control;
- It assesses the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the information concerning them provided in the annual accounts;
- It assesses the appropriateness of management's application of the going concern accounting policy and, depending on the evidence gathered, the existence or otherwise of significant uncertainty related to events or circumstances that could lead to the company's ability to continue operating. This assessment is based on the information gathered up to the date of its report, but it is recalled that subsequent circumstances or events could jeopardize the continuity of operations. If it concludes that there is significant uncertainty, it draws the attention of the readers of its report to the information provided in the annual accounts about this uncertainty or, if this information is not provided or is not relevant, it formulates a qualified certification or a refusal to certify;
- It assesses the overall presentation of the annual accounts and assesses whether the annual accounts reflect the underlying transactions and events so as to give a true and fair view.

Report to the Supervisory Board fulfilling the functions of the Audit Committee

We submit a report to the Supervisory Board fulfilling the functions of the Audit Committee, which includes the scope of the audit work and the work program implemented, as well as the conclusions resulting from our work.

We also bring to its attention, as the case may be, the significant weaknesses in internal control that we have identified with respect to the procedures relating to the preparation and processing of accounting and financial information.

Among the elements communicated in the report to the Supervisory Board fulfilling the functions of the Audit Committee are the risks of material misstatement, which we consider to have been the most important for the audit of the annual financial statements for the year and which therefore constitute the key audit issues, which we are required to describe in this report.

We also provide the Supervisory Board fulfilling the functions of the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France as set out in particular in Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the code of ethics of the auditing profession. If necessary, we discuss with the Supervisory Board, which performs the functions of the Audit Committee, the risks to our independence and the safeguards applied.

Lyon, January 31st 2018

The statutory auditor

Grant Thornton

French member of Grant Thornton International

Thierry Chautant

Partner

BALANCE SHEET

For the years ended 30 September 2017

(Currency: Euros)

ASSETS	30/09/2017	30/09/2016	Note
FIXED ASSETS			
Long term investments	132,965	141,193	5
Property, plant and equipment	1,065,979	1,262,134	4
Intangible assets	17,672	5,332	3
TOTAL FIXED ASSETS	1,216,616	1,408,659	
CURRENT ASSETS			
Liquid assets	74,041,344	68,280,898	9
Accounts receivable	19,466,027	18,771,935	8
Advances to suppliers	0	0	
Inventory	7,357,731	8,047,079	7
Prepaid expenses	1,112,372	1,167,084	8
TOTAL CURRENT ASSETS	101,977,473	96,266,996	
TOTAL ASSETS	103,194,089	97,675,655	
SHAREHOLDERS' EQUITY			
	30/09/2017	30/09/2016	
Share capital	2,400,000	2,400,000	10
Share premium	2,927,021	2,927,021	10
Legal reserve	240,000	240,000	10
Other reserve	0	0	10
Retained earning	64,468,271	60,086,155	10
Amount carried forward	2,033	3,209	10
Net income	6,199,670	6,889,516	10
TOTAL SHAREHOLDERS' EQUITY	76,236,995	72,545,901	
LONG-TERM LIABILITIES			
Long-term loans	0	0	
Estimated liabilities	1,085,331	1,736,527	11
TOTAL LONG-TERM LIABILITIES	1,085,331	1,736,527	
CURRENT LIABILITIES			
Accounts payable	8,703,960	7,670,695	12
Advances from customers	3,248,519	87,229	
Taxes and social security payable	4,117,308	4,416,406	12
Short-term loans	9,759	5,964	
Deferred revenue	9,792,217	11,212,934	12
TOTAL CURRENT LIABILITIES	25,871,764	23,393,227	
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	103,194,089	97,675,655	

INCOME STATEMENT

As at 30 September 2017

(in Euros)

	09/20176	09/2016	Note
SALES AND OTHER OPERATING REVENUE	41,818,912	49,513,629	16
OPERATING EXPENSES	- 33,980,551	- 40,621,154	19
Depreciation, provisions	- 402,335	- 483,724	20
OPERATING INCOME	7,436,026	8,408,751	
Net Financial Items	1,134,077	942,059	
Net Extraordinary Items	619,789	- 498,614	21
Profit sharing	359,696	431,200	
Taxation	- 2,630,527	- 2,528,707	18
NET INCOME	6,199,669	6,889,516	

The accompanying notes are an integral part of these balance sheets and statements of income.

CASH FLOW STATEMENT

For the years ended September 30 th, 2016 and 2015

(in thousand Euros)

	sept-17	sept-16
OPERATING ACTIVITIES		
Net income	6 200	6 890
Depreciation, amortization and provision	-138	-134
Profit or loss on disposal of assets		-26
Cash Flow from Operating Activities	6 061	6 729
Change in accounts receivable	-794	-4 148
Change in inventories and work in progress	689	1 874
Change in account payable	2 476	- 1 875
NET CASH PROVIDED BY OPERATING ACTIVITIES	8 433	2 580
INVESTING ACTIVITIES		
<i>Acquisitions of fixed assets</i>	-179	-339
<i>Disposal of fixed assets</i>	21	33
Net investments	-158	-306
Net financial investments	-8	14
NET CASH FLOW USED IN INVESTING ACTIVITIES	-166	-292
FINANCING ACTIVITIES		
Capital increase	0	0
Dividends paid	-2 509	-2 508
New short-term loans	0	0
Reduction in long term debts	0	0
Change in current account		-32
NET CASH FLOW PROVIDED BY FINANCING ACTIVITIES	-2 509	-2 540
NET CHANGE IN BANK DEPOSITS	5 758	-252
BANK DEPOSITS AT OCTOBER 1ST	68 275	68 528
BANK DEPOSITS AT SEPTEMBER 30TH	74 033	68 277

NOTES ON THE FINANCIAL STATEMENTS

SEPTEMBER, 30th 2017

(Amounts given in Euros)

GEA is a French manufacturer of toll collection equipment.

Note n° 1 : Significant events

The share of exported turnover is decreasing compared with the previous financial year and represents 40 % of the annual turnover (16 297 K€) vs 34 % (17 103 K€) on September 30th, 2016.

Note n° 2 : Accounting rules and methods

The financial statement have been established in accordance with the capacities of the regulation CRC n°2014-03, of June 5th, 2014 concerning the update of the French PCG. This regulation was approved on September 8th, 2014 and published to the Journal Officiel of October 15th, 2014.

The financial statements have been prepared in accordance with the following principles generally accepted in France :

- Going concern
- Consistency principle
- Independence of financial years

In accordance with the method for establishing and the presentation of the French annual accounts

All accounting values have been assessed according to the historical cost principle. No exception to generally accepted accounting principles has been made.

a) intangible assets

Depreciation is provided on the straight-line method for the estimated useful life :

- software : 12 months

Research and development expenditures are charged to profit and loss account.

b) tangible assets

Tangible assets are valued at their historical cost.

Depreciation is provided on the straight-line basis and declining balance methods for financial accounting purposes over the following estimated useful lives :

- machinery and equipment : 3 to 10 years

- fixtures : 5 to 15 years

- transportation equipment : 5 to 15 years

- office equipment : 1 to 10 years

c) investments

Investments are valued at acquisition cost. A depreciation is provided for the difference between acquisition cost and the fair value.

The own shares held with the aim of price stabilization within the framework of the contract of liquidity as well as those held with the aim of the capital reduction are classified in the financial investments

The fair value of the own share based on the average market price of the last month of the fiscal years.

d) payable and receivable trade accounts

They are valued at historical cost. If necessary, a depreciation is provided for doubtful accounts.

e) inventories and goods in progress

Raw materials are valued based on the balanced average cost method since the previous year. Work-in-progress are recorded for the cost of producing valued at the lower cost between production cost and liquidation price. It includes raw materials, labour costs, and general ex-penses related to production, excepted financial expenses.

f) short term investment

Securities concerns mutual funds as well as quoted shares. Mutual funds are valued on a FIFO basis. If necessary, depreciation is provided for the difference between the market value and the probable trade value

The net value of the shares of companies are valued at the average price observed during the month preceding the balance sheet closing of the fiscal years.

g) Foreign currency operations

Payable and receivable accounts are valued according to the corresponding foreign currency value at the end of fiscal year. The difference generated by this conversion is seen on the balance sheet as unrealised exchange gains and losses.

Losses resulting from this conversion give rise to a provision for risks.

Foreign currency receivables covered by a forward exchange contract are recorded at the forward rate.

h) Turnover

The turnover comprises the amounts to be invoiced to the customers according to contractual agreements (specifications).

Deferred revenues correspond to the revenue invoiced which corresponds to the degree of achievement of the real works.

i) Revenue recognition

The profit margin on long-term contracts is recognised when works are completed.

j) Pension commitments

Pension commitments are accounted based on the retirement allowances defined by the collective agreement including social charges. The provision corresponds to the updated allowances that would be allocated to the 65-year-old staff considering the expectation of life and the turnover rate estimated for each employee.

Commitments are calculated according to the INSEE table of 2010-2012.

Note n° 3 : Intangible assets

	sept-17	sept-16
Intangible assets	17,672	5,331

Intangible assets include softwares.

Note n° 4 : Tangible assets

The company owns the following property and equipment. (Net value)

	sept-17	sept-16
Machinery and equipment	150,350	191,037
Equipment and tools	363,119	420,867
Transport materials	456,662	576,314
Other assets	95,850	73,918
TOTAL	1,065,981	1,262,136

Note n° 5 : Shares and investments

	sept-17	sept-16
Shares	0	0
GEA shares	101,161	92,933
Other investments	40,032	40,032

The selling value as at September 30th 2017 is € 92,139 for an accounting value of € 92,933.

Note n° 6 : Related company disclosures

No share in a related company appears in the assets.

Note n° 7 : Inventory and works in progress

	sept-17	sept-16
Raw materials and spare parts	2,727,260	3,667,366
Raw materials depreciation provision	56,351	83,399
Works in progress	4,686,822	4,463,112
Works in progress depreciation provision	0	0
TOTAL	7,357,731	8,047,079

Note n° 8 : Trade receivables, other receivables and prepaid expenses

Invoices to raise:

	sept-17	sept-16
Invoices to raise (France)	44,471	63,750
Invoices to raise (Export)	4,466,856	3,373,997
TOTAL	4,468,547	3,691,108

Provisions for receivables from customers

	sept-17	sept-16
Provision for costumers	577,781	413 475

Trade and other receivable due within one year

	sept-17	sept-16
Trade receivable	18,611,264	16,535,043
Trade account payable	169,183	17,005
Personnel expenses	4,888	2,116
Tax and social debts	1,023,910	2,147,118
Other receivables	88,772	70,652
Prepaid expenses	1,112,372	1,167,084
TOTAL	21,050,421	19,979,051

Note n° 9 : Liquid assets

Liquid assets are composed of securities as well as cash and bank deposits :

	sept-17	sept-16
Securities	93,144	194,581
Cash and bank deposits	73,948,200	68,086,317
TOTAL	74,041,344	68,280,898

Note n° 10 : Shareholder's equity

The share capital is € 2,400 000 each.

	sept-16	Income Appropriation Sept-16	Dividend Distribution	Net income sept-17	sept-17
Share capital	2,400,000				2,400,000
Share premium	2,927,021				2,927,021
Legal reserve	240,000				240,000
Retained earning	60,086,155	4,382,116			64,468,271
Amount carried forward	3,209	-3,209	2,033		2,033
Net income	6,889,516	-4,378,907	2,510,609	6,199,670	6,199,670
TOTAL	72,545,901	0	-2,507,400	6,199,670	76,236,995

Note n° 11 : Provisions for risks and charges

	sept-16	sept-17
Provisions for customer warranties	539,360	372,360
Other provisions for contingent liabilities	525,883	276,687
Provisions for retirement indemnities	671,284	436,284
TOTAL	1,736,527	1,085,331

Note n° 12 : Trade and other creditors due within one year

	Gross amount	-1year
Trade accounts payable	8,495,923	8,495,923
Other debts	208,038	208,038
Tax and social debts	4,117,309	4,117,309
Loans and financial debts	8,068	8,068
Advance received	3,248,519	3,248,519
Partner	1,691	1,691
Deferred revenue	9,792,217	9,792,217
TOTAL	25,871,764	25,871,764

Note n° 13 : Accrued liabilities

	sept-17	sept-16
Trade creditors	4,020,755	3,172,214
Tax and payroll	4,117,309	3,340,975
Other creditors	209,728	99,268
Loans and debts with credit institutions	8,068	4,273
TOTAL	8,355,860	6,616,731

Note n° 14 : Balance sheet commitments

- Commitments given: Bank guarantee: 6,955 K€

Note n° 15 : Exchange rate risk

The coverage of exchange rate risks is realized by forward sales contracts. Currency forward sales as of 30 September 2017: 379,979,000 Rubles.

Note n° 16 : Information by business activity and area

	France	Export	Turnover
Production	23,130,973	13,863,007	36,993,980
Services	1,413,903	2,433,972	3,847,875
TOTAL	24,544,876	16,296,979	40,841,855

Note n° 17 : Information on personnel expenses

Remuneration allocated to the Management and Supervisory bodies recognised over the financial year:

(1) Remuneration of members of the Management Board

- Operational functions: 332,896 euros gross,
- Duties of corporate officer: 80,000 euros gross.

(2) Remuneration of Supervisory Board members

- Directors' fees: 40,000 euros gross (recorded under other expenses),
- Compensation of the Chairman of the Supervisory Board for his duties: 100,000 euros gross (recorded under other expenses).

(3) Services invoiced by SZ CONSULTING (Chairman: Mr Serge Zaslavoglou) for special assignments in the interest of social affairs: 90,000 euros gross (recorded under other purchases and external charges).

There are no specific benefits in terms of deferred compensation.

Breakdown of average workforce	2015/2016	2016/2017
- Engineers and managers:	94	91
- Employees:	115	105
	----	----
Total	209	196

Competitiveness and Employment Tax Credit (CICE)

In accordance with the recommendation of the French Accounting Standards Authority, the income from the competitiveness and employment tax credit (CICE) recognised over the financial year for an amount of €225,339 (including income from receivables from the State determined for eligible remuneration accrued up to the closing date for an amount of €168,575) is credited to account 649 - CICE personnel expenses.

This CICE income recognized at the balance sheet date is deducted from operating expenses. It will be used to strengthen the company's equity capital in order to finance, in particular, efforts to prospect new export markets.

The amount of the CICE's receivable determined for the 2016 calendar year is deducted from the corporate income tax due for the current year, while the theoretical CICE assessed at the end of the year will be deducted from the corporate income tax for the following year.

Note n° 18 : Income Tax

	Income	Income Tax
Operating income	8,570,104	-2,856,701
Profit sharing	-359,696	-
Extraordinary items	619,789	-206,596
Net income	8,830,197	-2,650,105

Note n° 19 : Operating expenses

Operating expenses include the following :

	sept-17	sept-16
Cost of sales	14,424,065	19,227,057
Payroll	13,830,116	14,481,620
Tax expenses	800,140	881,055
Other purchase and external expenses	4,717,948	5,840,073
Provision for risks and charges	0	0
TOTAL	33,722,269	40,429,805

Note n° 20 : Depreciation and provision expenses

	sept-17	sept-16
Depreciation on intangible assets	15,515	24,337
Depreciation on tangible assets	330,468	325,826
Allocation to provision for raw materials depreciation	56,351	83,399
Allocation to provision for doubtful accounts	0	50,162
Other depreciations on current assets		
Allocation to provision for guarantee on domestic and export works		
Allocation to provision for pension commitment	0	0
TOTAL	402,335	483,724

Note n° 21 : Extraordinary result

Extraordinary items (profit)	148,916
Extraordinary items (loss)	- 15,636
Net profit on tangible assets sale	2,363
Depreciation other contingency provision	484,196
TOTAL	619,839

Note n° 22 : Table of subsidiaries and shareholdings, securities

Subsidiaries	Capital	Interest percentage	Shares gross value	Loans and advances	Turnover	Cashed in dividends
	Reserves and carry forward in local currency		Shares net value in €	Guaranties and backings in €	Net income in €	
TOTAL SUBSIDIARIES =			0			
GEA SHARES =			92,933			
TOTAL SECURITIES = (Gross value)			92,933			

Note n° 23 : Subsequent events

Nil.

Note n° 24 : Cash flows charts

Cash is defined by the company as the total of :

- Deposits in transit,
- Demand deposits at banks,
- Cash accounts,
- Short term securities, net of valuation allowance if necessary.

Short term securities are very liquid investments.

The cash flow statement is prepared according to the indirect method, from the net income.

CORPORATE GOVERNANCE

Supervisory Board Chairman's report regarding the rules governing the preparation and organisation of the Board of Directors' work, and the internal control procedures established by the company

Ladies and Gentlemen,

This report, which supplements that of the Managing Board, sets forth the rules and administrative modalities governing the preparation and organisation of the Supervisory Board's work during the financial year, as well as the internal control procedures established by the company, pursuant to the provisions of article L. 225-68 of the Commercial Code.

To write this report, we referred to AFEP-MEDEF amended by the recommendations of 6th October 2008 and we relied on the AMF Reference Guide on internal control for small and mid-caps available on the AMF website www.amf-france.org.

I- RULES GOVERNING THE PREPARATION AND ORGANISATION OF THE SUPERVISORY BOARD'S WORK

- Composition of the Board and application of the principle of balanced representation of men and women within it.

The Supervisory Board members appointed by the General Meeting held on 27th March 2013 are as follows:

- Mr Serge ZASLAVOGLU
- Mr Louis-Michel ANGUE
- Mr Henri CYNA
- Mr Pierre GUILLERAND
- Mr Roland ROC
- Mrs Jeannine ZASLAVOGLU

Mr Cyna and Mr Roc resigned at the end of the general meeting of 31 March 2017. The same meeting appointed Marie-Paule Roc as a member of the Supervisory Board.

Following these resignations and appointments, the composition of the Board respects the principle of diversity of the Board provided for by the provisions of Article L. 225-69-1 of the French Commercial Code.

All Board members are French nationals.

- Organisation and working of the Supervisory Board

The term of office is 6 years. 4 current members of the Council have already made more than two terms and thus have the necessary good knowledge of the company and its technical and economic environment.

As it considers that the proper conducting of the company's business requires stability in its supervisory organs over time and maintenance of its members' knowledge of the company, the Board decided at its meeting of 23 January 2013 that it would depart from the provisions of article 14 of the Afep-Medef Code and that it would not change its members' term of office, which will continue to

be 6 years, and would not establish staggered terms of office.

Also, at this meeting, the Board decided to depart from the provisions of articles 9.2 and 9.4 of the Afep-Medef Code regarding the proportion of independent members on the Board.

Application of these provisions would have deprived the company of the experience of one-third of its present members, or excessively and inappropriately increased the number of Members of the Board with regard to the company's size and level of business.

The number of members aged over 80 may not exceed one third of the total members. No member is more than 80 years old.

Each member must own at least one GEA share, which is the case.

The Board decided to partly depart from the second paragraph of article 20 of the Afep-Medef Code, and that it would not require its members to own a significant number of company shares or use their fees for that purpose. Apart from respect of the freedom of each of its members, the Board considered that the ownership of shares was not of such a nature as to exert an influence on their personal involvement given their occupational or personal experience.

The number of Board members associated with the company by an employment contract cannot exceed one third of the members in office. No member of the Supervisory Board is bound to the Company by a contract of employment.

The Supervisory Board meeting of 27 March 2013 appointed Mr Serge ZASLAVOGLU, President of the Supervisory Board and Mrs Jeannine ZASLAVOGLU, Vice Chairman of the Supervisory Board.

During the 2016/2017 financial year the Supervisory Board met five times:

- On 30th November 2016 it examined the Managing Board report for the fourth quarter of fiscal year 2015/2016.

- On 26th January 2017, it met in audit committee formation and took on its missions. It also examined the accounts for the previous financial year, the Executive Board management report, the agreements referred to in article L. 225-86 of the Code of Commerce and the Chairman's report on the conditions for preparing and organizing the Committee's work and internal control. The Committee examined the various risks that the company may face and heard and evaluated the means implemented by the Managing Board to protect against them. It finalized its report on the Executive Board report and the accounts for the financial year 2015/2016. In addition, the Committee discussed the new provisions of article L. 226-9-1 of the Code of Commerce relating to the company's policy on professional and salary equality. Following examination, it also approved the calculation and amount of the remuneration allocated to each member of the Managing Board and the minimum number of share to be awarded by each of its number.

The Board confirmed the minimum number of shares to be held by the members of the Management Board.

It examined the activity of the first quarter of the current financial year on the basis of the Executive Board's report.

It also took note of the resignation of Mr Cyna and Mr Roc to be heard at the end of the general meeting and the candidacy of Ms Roc.

- On 31st March 2017 it decided on the distribution of attendance fees among Board members, authorised an agreement referred to in Article L.225-86 of the Commercial Code, examined and confirmed the remuneration of the members of the Managing Board.

- On 26th June 2017 it considered the second quarter report of the Managing Board, the fore-cast documents prepared by the Managing Board, the half-yearly financial report of the Managing Board and authorised the renewal of a rental lease.

- On 25th August 2017 it considered the activity report of the Managing Board of the third quarter.

The attendance of members of the Supervisory Board at these meetings was on average 92.66%.

- Evaluation of work of the Supervisory Board

During the past fiscal year, the members of the Supervisory Board examined their practices regarding corporate governance, especially procedures for work preparation and organisation, and assessed the adequacy of the organisation in relation to the assignment.

The aim was to apply the recommendations set forth by the new economic regulations laws as well as by the VIENOT and BOUTON reports, found to be compatible with the company's size and business volume.

The Supervisory Board judged that it was not necessary to put in place self-assessment rules, given the existing relations among the members of the Board, it nevertheless regularly discussed, informally, the quality of the work and how to improve it.

The Council did not consider it necessary to set up committees, work within it can be done in a collegial manner without difficulty given the size, level of activity and organization of the company.

- Limitations to the Managing Board's powers set by the Supervisory Board

Members of the Managing Board are appointed for four years and can be re-elected. They may be removed by the Supervisory Board if necessary.

Mandates of Serge Alexis ZASLAVOGLU, President of the Managing Board, and Grigori ZASLAVOGLU, Managing Director, were renewed on 31 March 2015 by the Supervisory Board. The Supervisory Board has decided to maintain the employment contracts of Executive Board members upon renewal of their mandates. The Council estimated that it was in the society's interest, from operational and financial point of view, not to deprive the company of the skills exercised by the members of the Managing Board under their employment contracts.

The age limit for performing duties of Managing Board member is 75 years. None of the present members has reached this age limit.

The Managing Board is vested with powers to act in all circumstances on behalf of the company within the limits of the company purpose and subject to powers granted by law to the Supervisory Board and at shareholders meetings. The Managing Board is not entitled to decide or authorise the issuance of bonds.

SUMMARY OF EXCEPTIONS TO THE AFEP-MEDEF CODE

Article of the AFEP-MEDEF Code	Date of the Supervisory Board	Justification of exceptions
Article 9.2 and article 9.4 of 2013 code	23/01/2013	The Board decided to depart from articles 9.2 and 9.4 regarding the proportion of independent members and the maximum total duration of 12 years of cumulated terms of office. Application of these provisions might deprive the company of the experience of one-third of its members or excessively and inappropriately increase the number of its members with regard to the company's size and level of business.
Article 10.323/01 /2013 of 2013 code	23/01/2013	The Board decided to depart from the provisions of article 10.3, and concluded that it was not necessary to establish a formalized evaluation of the Board's capacities every three years considering the relationships that exist between its members, and their experience and knowledge of the company and its environment.
Article 14 of 2013 code	23/01/2013	The Board decided to depart from the provisions of article 14, and concluded that it would not change the company's articles of incorporation regarding the duration of its members' term of office, which will continue to be 6 years, and that it would not establish staggered terms of office. The Board indeed considered that, for the proper conducting of the company's business, stability in its supervisory organs over time and maintenance of its members' knowledge of the company are necessary.
Articles 15,16, 17 et 18 of 2013 code	23/01/2013	The Board decided to depart from these articles regarding the constitution specialized committees, since it considers that their assignments can be carried out by the supervisory board in a collegial manner given the company's size, level of business and organization.
Articles 15, 16, 17 et 18 of 2013 code	23/01/2013	The Board decided to depart from these articles regarding the constitution of specialized committees, since it considers that their assignments can be carried out by the supervisory board in a collegial manner given the company's size, level of business and organization.
Article 20 of 2013 code	23/01/2014	The Board decided to partly depart from the second paragraph of article 20, and concluded that it would not require its members to own a significant number of company shares or to use their fees for that purpose. Apart from respect of the freedom of each of its members, the Board considered that the ownership of shares was not of such a nature as to exert influence on their personal involvement given their occupational or personal experience.
Article 2225/03 /2011 of 2011 code	25/03/11	Article The Board decided to depart from the provisions of article 22 and to maintain the employment contracts of the Chairman of the Executive Board and the general manager. The Board considered that, in the company's interest, it is advisable not to deprive it of the skills exercised by the members of the Executive Board pursuant to their employment contracts. Also, the hiring of new employees in those functions would have generated additional costs for the company. Finally, maintenance of their respective employment contracts was an essential condition for the persons involved to accept their appointments to the Executive Board.

II- INTERNAL CONTROL PROCEDURE

- Objectives of Internal Control

The purposes of internal control procedures are:

- To ensure that the acts of management or the execution of operations, as well as the behaviour of individuals, fall within the scope of the orientations of the company's activities determined by its governing organs, by the law and regulations applicable and by the values, standards and internal rules established in the company
- To verify that the accounting, financial and managerial information transmitted to the company's social organs gives a truthful picture of the company's situation
- To avoid risks of error and fraud within the company
- To preserve and protect the assets

An internal control, as is the case with any control system, does not provide an absolute guarantee of total elimination of risks, but gives only a reasonable assurance that the objectives are met.

The main risks (including factors which may impact in the case of a public offer) to which the company is exposed are described in Title IV of the management report on operations for the year ended 30/09/17, published within the annual financial report on 31st January 2018 and available on the company website. The management of these risks is also described at title IV of the report.

Information on the capital structure is covered at title VI of the management report.

- Summary Description of the General Organisation of the Internal Control Procedures

Regarding internal control procedure itself, the company has endeavoured to establish the means that are most appropriate to the company profile whose shares are listed on a regulated market, and to its French and international business.

Current business is supervised by members of the Managing Board with a management team consisting of 5 Directors and a Company Secretary:

- Mr Tanoukhi, Project Director
- Mr Serge-Alexis Zaslavoglou, Research and Development Director
- Mr Mannechez, Software Applications Director
- Mr Ott, Strategy, Marketing and Sales Director
- Mr Thoreau, Commercial Director
- Mr Grigori Zaslavoglou, Company Secretary

The Managing Board with its management team oversees operations to prevent and monitor any kind of risks to the company, whether or not linked to the activity; while risks of a more financial character are supervised by Mr Grigori Zaslavoglou, Company Secretary.

Significant commercial offers are validated by at least one member of the Managing Board before being sent to customers. Similarly all contracts are signed by a member of the Board, or with its written permission.

The accounting and financial functions, and management control during the year were assumed by the Company Secretary under the authority of the Managing Board and assisted by an Accounting and Treasury Department composed of 8 people. The Chief Accountant, acting under the authority of the Company Secretary and in accordance with company accounting procedures, ensured the correct and complete invoice record of customers and suppliers.

Accounting function resources are reviewed annually and were found to still be adapted to the size and activity of the company.

Purchases are made for firm projects. Stocks and work in progress are subject to an annual comprehensive physical inventory and a six-monthly revue.

Supplier Payments are subject to validation by the Purchase Department and / or project managers concerned. A final inspection before payment is made by a member of the Managing Board.

The policy for the coverage of financial risks of any nature as well as the signing of commitments was monitored by the Company Secretary under the supervision of the Managing Board. Financial investments were made on instruction from the Company Secretary, who also assumed the whole of the company relations with the banks.

As part of the choice made by the company to use bank debt as little as possible, and given the importance and permanence of the treasury, internal financing and cash was controlled by the Company Secretary. He also oversaw periodic checks between cash and accounting and ensured the correction of any anomalies. On each financial closing the Board was informed of the company treasury situation.

The Company Secretary also oversaw the production of financial statements and finalised them with the Chartered Accountant after audit by the External Auditor

- Judicial and Tax Functions

Judicial and tax functions are generally outsourced to specialised firms.

- Internal control procedures related to accounting and financial information

The accounting and management system rests on an internal information system that is backed up by the regular assistance of a chartered accountant, payroll processing being outsourced to the latter.

The Managing Board ensures that information conservation requirements, data and processing for the establishment of accounting and financial statements are met.

Accounts are reconciled twice a year.

Forecasts are made annually and revised at the end of each half-year.

The organisation in place thus facilitates comprehensive monitoring of the bookkeeping, correct evaluation of transactions and the production of accounting and financial data according to accounting standards in effect and accounting rules and methods implemented by the company. The Supervisory Board has validated these principles which have been approved by the Managing Board and reviewed by the External Auditors. Any change in accounting principle is, where applicable, the subject of consultation with the External Auditor and of information to the Board.

Financial information is controlled by the Auditor during audits in accordance with current standards.

The establishment of the results, the balance sheet, financial position and annexes are explained to the Supervisory Board at each published financial closing.

Financial and accounting information is subject to regular publication to shareholders and the financial community under the authority of the Company Secretary and according to a schedule established with the support of an outside legal counsel.

The company has also complied with information obligations resulting from implementation of the Transparency Directive in the Monetary and Financial Code and which have been imposed with effect from 20th January 2007. It will continue to strive on the application of these regulations.

III- RULES RELATING TO THE PARTICIPATION OF SHAREHOLDERS TO THE GENERAL ASSEMBLY

There are no special conditions regarding the participation of shareholders in the general meeting. The modalities of participation are those defined by law and provisions in articles of association of the company relating thereto (Article 33).

IV- PRINCIPLES AND RULES ADOPTED BY THE SUPERVISORY BOARD TO DETERMINE THE REMUNERATION AND BENEFITS OF ANY KIND GRANTED TO BOARD MEMBERS

At the 21st December 2007 meeting, the Supervisory Board gave Mr Cyna, one of its members, the mission of studying and proposing remuneration for company Board Members, based on opinion and expertise of firms in this field, where needed.

Mr Cyna therefore contacted Boyden and Hewitt for this mission, and they have submitted their findings.

Based on these independent outside recommendations, Mr Cyna submitted proposals to the Supervisory Board, which adopted them at its meeting on 24th January 2008.

Remuneration of company Board Members was the following during the financial year:

- Mr Serge ZASLAVOGLOU: € 208,216.01 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Expenses reimbursement	€ 8,216.01	8,216.01	€ 4,647.49	€ 4,647.49
Benefit in kind	none	none	none	none
Remuneration as Chairman of the Supervisory Board	€ 100,000	€ 100,000	€ 100,000	€ 100,000
Attendance fees	€ 10,000	€ 10,000	€ 10,000	€ 10,000
Income for specific missions	€ 90,000	€ 90,000	€ 90,000	€ 90,000
TOTAL	€ 208,216.01	€ 208,216.01	€ 204,647.49	€ 204,647.49

- Mr Serge Alexis ZASLAVOGLOU : € 288,771.83 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Gross fixed annual salary, paid holidays and seniority premium under the employment contract	€ 95,472.41	€ 95,472.41	€ 108,103.97	€ 108,103.97
Variable salary under the employment contract according to the level of business of the company	€ 79,242.18	€ 79,242.18	€ 97,339.81	€ 97,339.81
Variable pay according to the operating result of the company under the Board mandate (President of the Managing Board)	€ 40,000.00	€ 24,000.00	€ 40,000.00	€ 24,000.00
Expenses reimbursement	€ 62,233.24	€ 62,233.24	€ 24,959.13	€ 24,959.13
Benefit in kind (in a personal use of the company aircraft)	€ 11,824	€ 2,544	€ 21,094	€ 0
Specific Advantages for termination or change of function (deferred pay, severance and pension obligations, termination without cause real and serious or loss of employment due to a public offer)	None	None	None	None
TOTAL	€ 288,771.83	€ 263,491.83	€ 269,537.78	€ 232,443.78

- Mr Henri CYNA : € 6,000 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Attendance fees	€ 6,000	€ 6,000	€ 6,000	€ 6,000
Benefit in kind (in a personal use of the company aircraft)	None	None	€ 45.75	€ 45.75
Reimbursement of expenses	None	None	None	None
TOTAL	€ 6,000	€ 6,000	€ 6,017.50	€ 6,017.50

- Mr Louis-Michel ANGUE : € 6,000 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Attendance fees	€ 6,000	€ 6,000	€ 6,000	€ 6,000
TOTAL	€ 6,000	€ 6,000	€ 6,000	€ 6,000

- Mr Pierre GUILLERAND: € 6,000 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Attendance fees	€ 6,000	€ 6,000	€ 6,000	€ 6,000
TOTAL	€ 6,000	€ 6,000	€ 6,000	€ 6,000

- Mr Roland ROC: € 3,000 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Attendance fees	€ 3,000	€ 3,000	€ 3,000	€ 3,000
TOTAL	€ 3,000	€ 3,000	€ 3,000	€ 3,000

- Mrs Jeanine ZASLAVOGLOU: € 6,000 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Attendance fees	€ 6,000	€ 6,000	€ 6,000	€ 6,000
TOTAL	€ 6,000	€ 6,000	€ 6,000	€ 6,000

- Mrs Marie-Paule ROC: € 3,000 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Attendance fees	€ 3,000	€ 3,000	€ 3,000	€ 3,000
TOTAL	€ 3,000	€ 3,000	€ 3,000	€ 3,000

- Mr Grigori ZASLAVOGLU: € 169,675.56 as follows:

Type of remuneration	Financial Year 2016/2017		Financial Year 2015/2016	
	Total amount due	Amount paid during financial year	Total amount due	Amount paid during financial year
Gross fixed annual salary, paid holidays and seniority premium under the employment contract	€ 82,513.32	€ 82,513.32	€ 84,366.66	€ 84,366.66
Variable salary under the employment contract according to the level of business of the company	€ 19,806.50	€ 19,806.50	€ 24,334.89	€ 24,334.89
Variable pay according to the operating result of the company under the Board mandate (President of the Managing Board)	€ 40,000.00	€ 24,000.00	€ 40,000.00	€ 24,000.00
Expenses reimbursement	6,386.74	6,386.74	€ 42,613.78	€ 42,613.78
Benefit in kind (in a personal use the company aircraft)	20,969	5,856.50	€ 26,394	€ 0
Specific Advantages for termination or change of function (deferred pay, severance and pension obligations, termination without cause real and serious or loss of employment due to a public offer)	None	None	None	None
TOTAL	€169,675.56	€138,563.06	€ 217,709.33	€ 175,315.33

V- CONDITIONS OF THE PREPARATION OF THIS REPORT AND ASSESSMENT OF PROCEDURES

This report was prepared with the support of the General Secretariat and on the basis of the comments made by the members of the Supervisory Board.

This report was submitted to the Supervisory Board on 25 January 2018 by the Chairman of the Supervisory Board; the Board, after having discussed it, approved its terms.

The means and procedures implemented by the company in terms of internal control have so far appeared to be appropriate.

Meylan,
31d January 2018

AUDITOR'S REPORT

Statutory auditor's report, prepared in accordance with article L.225-235 of French commercial code (*Code de Commerce*) on the report prepared by the Chairman of the Supervisory Board's of GEA

Financial year closing on September 30th 2017

This is a free English translation of the statutory auditors' report issued in French 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 standards applicable in France.

To the Shareholders,

Year ended September 30, 2017 To the shareholders,

In our capacity as statutory auditors of GEA, and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of the Supervisory Board of your company in accordance with the provisions of Article L. 225-68 of the French Commercial Code for the year ended 30 September 2017.

It is the Chairman's responsibility to prepare and submit to the Supervisory Board for approval a report on the internal control and risk management procedures implemented within the company and providing the other information required by Article L. 225-68 of the French Commercial Code, in particular with regard to corporate governance arrangements.

It belongs to us:

- to inform you of our observations on the information contained in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and
- to certify that the report includes the other information required by Article L. 225-68 of the French Commercial Code, it being specified that it is not our responsibility to verify the fairness of this other information.

We conducted our work in accordance with the professional standards applicable in France.

Information on internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report on internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures consist in particular of:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work performed to prepare this information and the existing documentation; Lyon, February 13th, 2017
- determining whether any material weaknesses in internal control relating to the preparation and processing of accounting and financial information that we may have identified in the course of our engagement are appropriately disclosed in the Chairman's report.

On the basis of this work, we have no matters to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report of the Chairman of the Supervisory Board, prepared in accordance with the provisions of Article L. 225-68 of the French Commercial Code.

Other information

We certify that the report of the Chairman of the Supervisory Board includes the other information required by Article L. 225-68 of the French Commercial Code.

Lyon, February 14th, 2018

The Statutory Auditor

Grant Thornton

French member of Grant Thornton International

Thierry Chautant

Partner

INTERMEDIARY MANAGEMENT BALANCE

For the years ended September 30th, 2017

(Currency : in thousands Euros)

	09/17	% PROD	09/16	% PROD
Production sold, and sales of equipment	40,842		50,581	
Production stored	387		-1,329	
Immobilised production	0		0	
PRODUCTION FOR ACCOUNTING YEAR	41,229	100.0%	49,252	100.0%
Purchases of raw material	-13,484		-18,688	
Variation in stocks	-940		-539	
Other purchase and external expenses	-4,719		-5,840	
ADDES VALUE	22,087	53.6%	24,185	49.10%
Operating subsidies	0		0	
Taxes and VAT	-800		-882	
Wages and salaries	-9,452		-9,968	
Social security	-4,378		-4,514	
GROSS OPERATING SURPLUS	7,457	18.1%	8,822	17.9%
Write-backs of depreciation and provisions	415		198	
Transferred expenses	174		64	
Other operating revenues	0		0	
Depreciation of assets	-346		-350	
Provisional expenses	-56		-134	
Other operating expenses	-208		-191	
OPERATING RESULT	7,436	18.00%	8,409	17.1%
Financial products	1,219		983	
Financial expenses	-85		-41	
CURRENT RESULT BEFORE TAX	8,570	20.8%	9,351	19.00%
EXTRAORDINARY RESULT	620		499	
Profit-sharing of employees	-360		-431	
Corporate income tax	-2,630		-2,529	
NET RESULT	6,200	15.00%	6,890	14.00%

STATUTORY AUDITOR'S SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

For the financial year ended September 30th 2017

This is a free English translation of the statutory auditors' Special report issued in French 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 standards applicable in France.

To the shareholders,

In our capacity as statutory auditors of your company, we hereby present our report on regulated agreements and commitments.

It is our responsibility to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we have been informed or which we may have discovered during our engagement, without having to express an opinion on their usefulness and validity or to seek the existence of other agreements and commitments. It is your responsibility, under the terms of Article R. 225-58 of the French Commercial Code, to assess the interest involved in entering into these agreements and commitments for their approval.

In addition, it is our responsibility, if necessary, to provide you with the information provided for in Article R. 225-58 of the French Commercial Code relating to the performance, during the past financial year, of the agreements and commitments already approved by the General Meeting.

We have performed the procedures that we considered necessary in accordance with the professional standards of the Compagnie nationale des commissaires aux comptes relating to this engagement. These procedures consisted in verifying that the information provided to us is consistent with the source documents from which it was extracted.

1 - Agreements and commitments submitted to the general meeting for approval

In accordance with Article L. 225-88 of the French Commercial Code, we have been informed of the following agreements and commitments which have been authorised in advance by your Supervisory Board.

These agreements and commitments are presented in Table 1 of this report.

The persons concerned by these agreements and commitments are indicated in Table 4 of this report.

2 - Agreements and commitments already approved by the General Assembly

(a) Whose implementation continued during the past financial year

In accordance with Article R. 225-57 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the shareholders' meeting in previous years, continued to be performed in the past year.

These agreements and commitments are presented in Tables 2 and 3 of this report.

b) Without execution during the past financial year

In addition, we have been informed of the continuation of the following agreements and commitments, already approved by the General Meeting in previous financial years, which did not give rise to performance during the past financial year.

These agreements and commitments are presented in Table 3 of this report.

The persons concerned by the agreements and commitments are indicated in Table 4 of this report.

Lyon, February 14th, 2018

The statutory auditor

Grant Thornton

French member of Grant Thornton International

Thierry Chautant

Partner

TABLE 1 : NEW AGREEMENTS AND COMMITMENTS

Transactions approved during the year

Name of the company	Nature, matter, forms of the transactions	Revenue or (Expense) in €
SCI Kaliste	<p>Commercial lease for premises located to Meylan concerning:</p> <ul style="list-style-type: none"> - annual rent of 28,463.60 euros duty free excluding the property tax on the built properties. - security deposit: it remains fixed at €6,102, initially corresponding to 3 months of rental, - review of the rent: indexation on the building cost index - duration : 12 years form June 1st 2017. <p>Amount recognised:</p> <p>This agreement allows the company to secure its presence and to pursue its activity on its current implation in Meylan without interfering its cycle of production.</p>	<21,348>
Mr Serge Zaslavoglou (EURL SZ CONSULTING)	<p>Service of Mr Serge Zaslavoglou for special assignments entrusted in the interest of the comany.</p> <p>Payment by invoicing limited to maximum annual budget of 3,000 euros exclusive of VAT.</p> <p>Amount recognised:</p> <p>(Supervisory Board meeting from March 31th 2017)</p> <p>The conclusion of this agreement allows the company to be able to maintain the benefice of assistance and experience of his founder on specific subjects.</p>	<90,000>

TABLE 2 : ADVANCES AND LOANS

Transactions previously approved

Mr Serge Zaslavoglou	GEA	1,690.30	<p>Current account paid at the maximum tax deductible rate Amount recognised:</p> <p>This remuneration is determinate by the tax measures.</p> <p>Interest attached to the maintenance of the agreement: This current account allows your company to manage more easily the costs covered by Serge Zaslavoglou.</p>	<28>
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TABLE 3 : AGREEMENTS OTHER THAN ADVANCES AND LOANS

Transactions previously approved

SCI Epsilon	<p>Reneal of Commercial lease for mreises located to Meylan concerning :</p> <ul style="list-style-type: none"> - annual rent of 41,298 euros duty free and excluding the property tax on the built properties - security deposit: fixed to 7,872 euros corresponding to 3 months of renting - review of the rent from 1st October each year: indexation on the building cost index - duration: 9 years form June 14th 2011. <p>Amount recognised:</p> <p>This agreement allows the company to secure its presence and to pursue its activity on its current implantation in Meylan without interfering its cycle of production.</p>	<44,640>
SCI Santa Cruz	<p>Commercial lease for premises located in Meylan (cadastre section AZ No. 238) with the following characteristics:</p> <ul style="list-style-type: none"> - annual rental fixed at 45,948.52 euros excluding taxes and charges, payable quarterly in advance. - rent adjustment: indexation on the INSEE construction cost index on 1 October of each year, - lease term: 12 years for the period from 01/07/2016 to 30/06/2028 following the deed of 27 June 2016. <p>Amount posted:</p> <p>(Supervisory Board meeting of 24 June 2016)</p> <p>Reasons justifying the interest for the company:</p> <p>The continuation of this agreement allows your company to secure its location and continue its activity on its current site in Meylan without disrupting its production cycle.</p> <p>The rent fixed is the subject of a certificate of rental value dated 9 June 2016.</p>	<46,949>
SCI Kaliste	<p>Commercial lease for premises located in Meylan (cadastre section AZ No. 127) with the following characteristics:</p> <ul style="list-style-type: none"> - annual rental fixed at 106,030 euros excluding taxes plus payment of property tax on built properties. - security deposit: it is set at 20,821 euros, initially corresponding to 3 months of rental, - rent adjustment: indexation on the construction cost index, - lease term: renewal of 12 years for the period from 01/10/2014 to 30/09/2026 following the act of 25 February 2015. <p>Amount posted:</p> <p>Reasons justifying the interest for the company:</p> <p>The continuation of this agreement allows your company to maintain its activity at its Meylan site without disrupting its production cycle. The rent fixed was the subject of a rental value certificate dated 29 January 2016.</p>	<107,073>

SCI Kaliste	<p>Commercial lease for premises located in Meylan, (cadastre section AZ No. 130) concerning:</p> <ul style="list-style-type: none"> - annual rental fixed at 20,410 euros excluding tax plus payment of property tax on built properties, - security deposit: it is fixed at 6,102 euros, initially corresponding to 3 months of rental, - rent adjustment: indexation on the construction cost index, - duration: renewal of 9 years from 01/06/2008 to 31/05/2017 following the act of 9 June 2008. <p>Amount posted: Interest in maintaining the agreement: The continuation of this agreement allows your company to maintain its activity at its Meylan site without disrupting its production cycle</p>	<7,270>
SCI de Canastel	<p>Commercial lease for premises located in Meylan (cadastre section AZ No. 128) with the following characteristics:</p> <ul style="list-style-type: none"> - annual rental fixed at 95,358 euros excluding taxes plus payment of property tax on built properties. - rent adjustment: indexation on the construction cost index, - lease term: renewal of 12 years for the period from 01/10/2014 to 30/09/2026, following the act of 25 February 2015. <p>Amount posted: (Supervisory Board meetings of 9 February 2015 and 28 January 2016). Reasons justifying the interest for the company: The continuation of this agreement allows your company to maintain its activity at its Meylan site without disrupting its production cycle. The rent fixed was the subject of a rental value certificate dated 29 January 2016.</p>	<96,269>
Mr Henri Cyna	<p>Provision by the company of a TIS electronic toll badge for the duration of its mandate.</p> <p>Amount posted:</p>	
Mr Serge Alexis Zaslavoglou	<p>Personal use by Mr Serge Alexis Zaslavoglou of the vehicles of the company, as a benefit in kind, up to a maximum of 5,000 kilometres.</p> <p>No expense was recorded during the year.</p>	

TABLE 4 : PERSONS INVOLVED IN AGREEMENTS AND COMMITMENTS

	GEA	SCI Kaliste 1 & 2	SCI de Canastel	SCI Epsilon	SCI Santa Cruz
Serge Zaslavoglou	Chairman of the Supervisory Board	Manager	Manager	Manager	Manager
Serge Alexis Zaslavoglou	Chairman of the Management Board	Partner		Partner	Partner
Grigori Zaslavoglou	Member of the Management Board and Managing Director	Partner		Partner	Partner
Jeannine Zaslavoglou	Vice-chairman of the Supervisory Board		Partner		
Henri Cyna	Member of the Supervisory Board				

TEXT OF THE RESOLUTIONS PUT FORWARD TO THE GENERAL MEETING 30 March 2018 Ordinary General Meeting

FIRST RESOLUTION

Approval of financial statements for the year ended 30th September 2017 and discharges for the members of the Managing Board and the Supervisory Board).

The General Assembly, having considered the reports of the Management and Statutory Auditors and comments of the Supervisory Board, approves, as they have been presented, the financial statements for the year ended 30th September 2017, showing a profit of € 6 199 669,53, as well as transactions in these accounts or summarised in these reports.

It approves the total expenses that are non-deductible from the company income tax described in Article 39-4 of the General Tax Code, amounting to € 33 141.

Consequently, it grants members of the Managing Board and Supervisory Board full and unreserved discharge for the performance of their mandates for the said fiscal year.

SECOND RESOLUTION

(Approval of regulated agreements).

The General Assembly approves the nature and composition of the agreements concerned by the provisions of articles L.925-86, and followings of the Commercial Code, as described in the special report of the Auditor.

THIRD RESOLUTION

(Allocation of profit and fixing of dividends).

On the suggestion of the Managing Board, the General Assembly decides to allocate the profits for the fiscal year amounting to € 6 199 669,53 to which has been added the sum of € 2 032,80 which figures in the «Retained earnings» and corresponds to unpaid dividends (shares detained by the company itself) i.e. a total of € 6,201,702.33 in the following manner:

A sum of€ 2,510,608.80 is distributed to shareholders as a dividend, provided that, in the event that during of the payment the company owns some of its own shares, the profit corresponding to the unpaid dividends in respect of such shares will be allocated to «Retained earnings».

- The balance of € 3 691 093,53 will be transferred to the ordinary reserve.

The dividend returned on each share shall thus be set at€ 2.10

This dividend, from which the social taxes of 17.2% will be deducted (CSG, CRDS, social charge and additional contribution to this charge) will be paid by the company CACEIS Corporate Trust - 14 rue Rouget de Lisle 92130 ISSY LES MOULINEAUX, as of the date of the annual general meeting.

As from 1 January 2018, dividends received by individuals domiciled for tax purposes in France are subject to:

- to income tax taxation at a single flat rate or, at the taxpayer's option, to taxation according to the progressive scale of income tax on the one hand,
- to social security contributions on the other hand.

1°) Income tax

The rules for the taxation of income from movable property were amended by the Finance Act for 2018. Dividends are taxed in two stages:

- The flat-rate, non-releasing withholding tax:

First of all, and subject to the special rules applicable in particular to income relating to shares registered in a PEA, the dividend will be subject, in the year of its payment, to a fixed, non-dischargeable withholding tax of 12.8% (instead of 21% for dividends received before 1 January 2018). This rate is applied on the basis of the gross amount of the dividend paid (before application of the 40% allowance and deduction of costs and charges of any kind) (art. 117 quater, I-1 and 125 A, III bis amended of the General Tax Code).

Considered as an advance payment of income tax, this deduction is chargeable against the tax due for the year in which it was made, any excess being refundable.

The company shall carry out the standard levy and shall declare and pay it.

Shareholders whose reference tax income for the penultimate year is less than €50,000 (for single, divorced or widowed taxpayers) or €75,000 (for taxpayers subject to joint taxation) may request exemption from this withholding tax (Art. 117 quater, I-1 of the General Tax Code).

If applicable, and at the latest on 30 November of the year preceding the year of payment, the shareholder makes his request for exemption, by producing a certificate on his honour to the company in which he indicates that his reference tax income appearing on the tax notice drawn up in respect of income for the penultimate year preceding the payment is less than €50,000 or €75,000 as the case may be (Art. 242 quater of the General Tax Code).

- The application of the single flat-rate or progressive income tax rate:

Then, in the hands of the shareholder, it is the year following the year of payment that its final taxation takes place: subject once again to the special rules applicable in particular to shares registered in a PEA, the gross dividend will be subject to income tax at the single flat-rate rate of 12.8%, or, at the shareholder's express and irrevocable option, to the progressive scale of income tax (art. 200 A, 2 new of the General Tax Code).

If applicable, the option is exercised each year when the tax return is filed and no later than the reporting deadline. It is also global and covers all income (dividends, interest, etc.), gains (capital gains on the sale of corporate rights), profits and receivables realised during the year in question and falling within the scope of the single flat-rate levy.

If this option is exercised, dividends are taken into account in overall income for their net amount after application of a 40% allowance and deduction of expenses incurred to acquire or retain the income (Articles 13, 2 and 158, 3-1° of the General Tax Code).

2°) Social security contributions

In general, the CSG rate was increased by 1.7 percentage points by the Social Security Financing Act for 2018. As a result, the overall rate of social security contributions has also been increased. For investment products such as dividends, the rate increase applies to operative events occurring on or after 1 January 2018.

Consequently, the income distributed as from that date is subject to social security contributions at a rate of 17.2% (instead of 15.5% for dividends received before 1 January 2018) (CSG at 9.9%; CRDS at 0.5%; social security contribution at 4.5%; additional contribution to the social security contribution at 0.3% and solidarity contribution at 2%).

In the same way as the non-dischargeable flat-rate withholding tax, these social security

contributions are calculated on the gross amount of the dividend received, deducted and paid to the Treasury by the Company.

The net amount paid by the Company to the individual shareholder therefore corresponds to the gross amount of the dividend, less the flat-rate non-repayable income tax withholding tax and social security contributions.

It is specified that the above-mentioned tax rules are subject to retroactive changes made by year-end budget collectives.

The General Assembly notes that the amounts distributed as dividends, during the three previous years, were as follows:

Financial Year	Income eligible for the deduction		Income not eligible for the deduction
	Dividends	Other distributed incomes	
2013/2014	€ 2,510,608.80	/	/
2014/2015	€ 2,510,608.80	/	/
2015/20165	€ 2,510,608.80	/	/

FOURTH RESOLUTION

(Directors' fees allocated to members of the Supervisory Board).

The General Assembly fixes the sum of thirty four thousand (34,000) Euros as the annual overall sum allocated to the Member's Fees of the Supervisory Board.

This decision, applicable to the running financial year, will be maintained until otherwise decided.

FIFTH RESOLUTION

(Authorisation given to the Managing Board to allow the Company to trade its own shares).

Having considered the report of the Managing Board, the special report of the Managing Board referred to in Article L.225-209 paragraph 2 of the Commercial Code and the description of the share buyback program in accordance with Article 241-2 of the General Regulations of the AMF (Autorité des Marchés Financiers) presented by the Managing Board; the General Assembly, authorises the Managing Board to purchase shares of the company, within the limit of 10% of the capital, by all means including the acquisition of blocks of shares and with the exception of the use of derivatives so as to, in order of decreasing priority:

- Stabilise the market price of the company share through a liquidity contract with an investment services provider working independently and managed in accordance with the AMAFI Charter of Ethics of 23rd September 2008 and approved by the AMF on 1st October 2008
- Deliver shares for payment or exchange in connection with acquisitions and / or cancellation of shares, the shares thus being acquired under a mandate given to an investment services provider acting independently in accordance with the AMAFI Charter of Ethics of 23rd September 2008 approved by the AMF on 1st October 2008.

It fixes :

- at seven million two hundred thousand euros (€ 7,200,000) the maximum amount of funds that may be used for shares buyback
- at €120 the maximum purchase price of those shares

The shares thus acquired may be retained, transferred or sold.

It acknowledges that shareholders will be informed at next Ordinary Annual General Meeting, of the precise allocation of the shares acquired in accordance with the objectives decided.

The General Assembly authorises the Managing Board to delegate to its Chairman those powers which were conferred to him under this resolution, in order to pass all exchange orders, conclude all agreements and carry out all formalities or statements for all agencies.

Furthermore, it confers all power to the Managing Board to inform the Workers' Council, in accordance with Article L.225-209 paragraph one of the Commercial Code.

SIXTH RESOLUTION

Compensation policy for the Chairman of the Management Board, approval of the principles and criteria for determining, allocating and allocating the fixed, variable and exceptional items comprising the total compensation and benefits of any kind attributable to the Chairman of the Management Board).

The General Meeting, pursuant to Article L. 225-100 of the French Commercial Code, takes note of the principles and criteria applicable to the determination, allocation and allocation of the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind attributable to the Chairman of the Management Board in respect of the exercise of his duties for the financial year ended 30 September 2017 and constituting the remuneration policy concerning him as set out below:

This remuneration includes a gross annual fixed portion including salary, paid leave and seniority bonus under the employment contract.

In addition to this first element, there is a variable remuneration under the employment contract depending on the company's level of activity based on the level of invoiced turnover.

A variable remuneration depending on the level of operating income is also paid in respect of the corporate office.

The President is also entitled to be reimbursed for professional expenses.

Finally, he or she receives as benefits in kind a personal right to use the company's aircraft for up to 30 hours per year, and a personal right to use the company's vehicles for up to 5,000 km per year.

All these remunerations are described in the management report.

The General Meeting approves the principles and criteria applicable to the determination, allocation and allocation of the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind attributable to the Chairman of the Management Board in respect of the performance of his duties for the financial year ended 30 September 2017.

SEVENTH RESOLUTION

(Remuneration policy for the Chief Executive Officer, approval of the principles and criteria for determining, allocating and allocating the fixed, variable and exceptional items making up the total remuneration and benefits of any kind attributable to the Chief Executive Officer).

The General Meeting, pursuant to Article L. 225-100 of the French Commercial Code, takes note of the principles and criteria applicable to the determination, allocation and allocation of the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind attributable to the Chief Executive Officer in respect of the exercise of his mandate for the financial year ended 30 September 2017 and constituting the remuneration policy concerning him as set out below:

This remuneration includes a gross annual fixed portion including salary, paid leave and seniority bonus under the employment contract.

In addition to this first element, there is a variable remuneration under the employment contract depending on the company's level of activity based on the level of invoiced turnover.

A variable remuneration depending on the level of operating income is also paid in respect of the corporate office.

The Executive Director is also entitled to reimbursement of professional expenses.

Finally, he receives as a benefit in kind a right to use the company's aircraft personally for up to 30 hours per year.

All these remunerations are described in the management report.

The General Meeting approves the principles and criteria applicable to the determination, allocation and allocation of the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind attributable to the Chief Executive Officer in respect of the exercise of his mandate for the financial year ended 30 September 2017.

EIGHTH RESOLUTION

(Compensation policy for the Chairman of the Supervisory Board, approval of the principles and criteria for determining, allocating and allocating the fixed, variable and exceptional items comprising the total compensation and benefits of any kind attributable to the Chairman of the Supervisory Board).

The General Meeting, pursuant to Article L. 225-100 of the French Commercial Code, takes note of the principles and criteria applicable to the determination, allocation and allocation of the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind attributable to the Chairman of the Supervisory Board in respect of the performance of his duties for the financial year ended 30 September 2017 and constituting the remuneration policy concerning him as set out below:

The Chairman of the Supervisory Board receives a remuneration of €100,000 per year as Chairman of the Supervisory Board and attendance fees of €10,000 per year.

He is also entitled to reimbursement, on presentation of supporting documents, of expenses incurred by him in the interest of the company.

The Chairman, up to a maximum of 90,000 euros per year, finally carries out assistance missions to the Management Board.

All these remunerations are described in the management report.

The general meeting approves the principles and criteria applicable to the determination, allocation and allocation of the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind attributable to the Chairman of the Supervisory Board in respect of the performance of his duties for the financial year ended 30 September 2017.

NINETH RESOLUTION

(Compensation policy for members of the Management Board, approval of the principles and criteria for determining, allocating and allocating the fixed, variable and exceptional items making up total compensation and benefits of any kind attributable to members of the Management Board).

The General Meeting, pursuant to Article L. 925-100 of the French Commercial Code, takes note of the principles and criteria applicable to the determination, allocation and allocation of the fixed, variable and exceptional items comprising the total remuneration and benefits of any kind attributable to the members of the Management Board in respect of the exercise of their duties for the financial year ended 30 September 2017.

The General Meeting acknowledges that the members of the Management Board are:

- Mr Serge Alexis ZASLAVOGLU, also Chairman of the Management Board of the Company, whose compensation principles and criteria were detailed in the sixth resolution above;
- Mr. Grigori ZASLAVOGLU, also Chief Executive Officer of the Company, whose compensation principles and criteria were detailed in the seventh resolution above.

Consequently, the general meeting notes that the remuneration of each member of the management board has been detailed above and has been approved by the shareholders.

TENTH RESOLUTION

(End of the terms of office of the Statutory Auditors and Alternate Auditors, proposal for the renewal of these terms of office).

The general meeting, after having taken note of the Management Board's report, decides to renew the mandates of «GRANT THORNTON», as statutory auditor, and of «INSTITUT DE GESTION ET D'EXPERTISE ACCOUNTABLE - IGEC», as alternate auditor, for a new term of SIX (6) financial years, i.e. until the end of the ordinary annual general meeting called to approve the accounts for the financial year ending 30 September 2023.

ELEVENTH RESOLUTION

(Powers to carry out formalities).

The general meeting grants full powers to the bearer of certified copies or extracts of the minutes of the deliberations of this meeting to carry out any formalities that may be required.

FEES OF THE STATUTORY AUDITOR AND MEMBERS OF ITS NETWORK

Statutory Auditor: GRANT THORNTON
 Cité Internationale
 44, quai Charles de Gaulle, CS 60095
 69463 LYON Cedex 06

Represented by Mr Thierry CHAUTANT

Fees of the statutory auditor and network members paid by the company.

Financial years covered: 2014-2015 and 2015-2016

	Amount		%	
	30/09/17	30/09/16	30/09/17	30/09/16
Audit				
● Audit of accounts, certification examination of individual accounts	110,000	96,000	95 %	94 %
● Secondary missions	6,100	6,100	5 %	6 %
Subtotal	116,100	102,100	100%	100 %
Other services				
● Legal, tax, employment				
● Information technology	-	-		
● Internal audit	-	-		
● Miscellaneous (to be specified if > 10% of audit fee).	-	-		
Subtotal	-	-		
TOTAL	116,100	102,100	100%	100 %