ANNUAL REPORT 2022

FACILITY MANAGEMENT

ATALIAN
GLOBAL SERVICES

CONTENTS

MESSAGE FROM THE CHAIRMAN

"The refocusing of the Group's activities in 2022 allows us to look to the future with serenity and determination."

Franck Julien
Chairman & Group CEO

As early as on February 24th, when the conflict in Ukraine began, everyone understood that 2022 would be a year marked by many upheavals and great uncertainty.

In addition to the geopolitical upheavals, the real consequences of which are still unknown, there have been major economic upheavals - higher energy prices, return of inflation, rising interest rates - the impacts of which is being felt by each and every one of us.

Faced with these uncertainties and this suddenly deteriorating economic situation, all companies had to take significant decisions. Our customers, like everyone else, sought to curb their expenses, however necessary they were for the correct operation of their organisations, and some even delayed the revaluation of contracts. Rational choices with immediate consequences for our group, with a significant deterioration of our margins.

In this context, Atalian decided to act in order not to suffer the effects of this economic situation, over the short term but especially over the long term.

After having considered various projects, Atalian chose to refocus with the sale of its activities in Great Britain, Ireland and Asia in order to significantly reduce the Group's debt level.

The valuation level of this operation was based on a high multiple of our earnings, i.e. 10, 43 times EBITDA. Reducing the group's debt and even more in this uncertain context provides for more direct management of our various businesses. This choice has therefore made it possible to look ahead do the coming months and years with greater serenity for all stakeholders.

In the meantime, at the start of 2023, we're seeing a restoration of our margins with an indexing of our services to inflation, which will produce its greatest effects during the second half of the year.

With this successful refocusing operation, my desire is to enable Atalian to continue its development.

That is why I've appointed Maximilien Pellegrini as CEO of the Atalian Group with effect from 2 May 2023. His arrival is proof of Atalian's strength and of the quality of its employees. His professional career, his experience of more than 20 years in service professions in France and internationally, and his skills are major assets for the success of the project that he'll soon be presenting.

Maximilien Pellegrini and I have known each other for a long time, I have great confidence in him and he knows that I'll be by his side, as the main shareholder.

More than ever, it's my firm belief that Atalian can look to the future with serenity and determination.

INTERVIEW WITH MAXIMILIEN PELLEGRINI

We, Franck Julien and I, are determined that Atalian will become a world leader in its businesses."

Maximilien Pellegrini

Maximilien Pelligrini will be joining the Atalian Group as Group CEO on 2 May. He answered our questions about his career within the Suez Group and the challenge of his future mission.

You were with the Suez Group for more than 20 years. How would you summarize your journey?

My career path has been one of a man with passion, who has never stopped learning from contacts, whether colleagues, employees or customers. It has led me to carry out many responsibilities throughout the value chain of service professions, in France and abroad. After starting my career in finance, I quickly took on operational duties. I was first appointed Managing Director of the Suez Group's Spanish subsidiary, that I restructured in 2008 at the time of the financial crisis, and then expanded internationally in Africa, the Middle East, South America and Australia. Then in 2013, I joined the United States to turn around the group's industrial activities. In 2018, back in France, I was in charge of transforming the prestigious Lyonnaise des Eaux. After the takeover in 2021, I was then appointed as the Suez Group's Chief Operating Officer to lead all activities in France (water and waste) that employed 27,000 people and that had a turnover of €5.4 billion.

My background has given me a good understanding of the importance of loyalty in difficult times, of teamwork as part of success, and of the necessary hindsight in managing the crises inherent in any company.

Why are you joining the Atalian Group today?

The decision to leave Suez wasn't easy, just as it wasn't easy for Frank Julien to decide to hand over his company's management. In reality, it's the story of a meeting between two men. We're both committed to Atalian becoming the world leader in its businesses.

I'll make every effort to ensure that my knowledge of service professions, international aspects and complex situations serves the company's project. The common thing within the service professions is that they're always based on the commitment of the teams and the mobilization of the corporate body. I like the idea that all successful entrepreneurial stories are first and foremost the result of successful encounters.

In addition, very committed and sensitive to diversity and social inclusion, I'm committed to doing everything possible to ensure that the company fully assumes its societal role.

Your objectives are over the long term…

I believe in effort, work, and the long term. As a young man, I spent my summers on construction sites with my father, who instilled in me the spirit of a builder that still drives me today. Commitment is my foundation, and I'm convinced that only time should judge our actions. At almost 50 years of age, my choices are mature and thoughtful. Atalian chose me and I chose Atalian. This choice only makes sense if it's made over time.

What similarities do you see between Atalian and Suez?

Atalian is a company that has demonstrated great resilience in the face of difficulties. Suez has also gone through some difficult times. With this experience, I know how much the commitment of the teams in the field and the trust of our customers make the difference. These are the most valuable assets of a service business. In addition, these two companies have known how to develop throughout their history. The services market is a huge source of activity, both the content of the services and in geographical terms. The talent of our companies is to understand and anticipate the needs of our customers and to respond to them in a responsive and competitive manner.

What will be your priorities?

I'm very aware of the importance of corporate culture. A new chairman must bring a new and critical eye but he must also understand the values and codes that have made the company successful. This alchemy requires listening, trust and respect. This is the mindset that's essential to any success. As a team, we'll lay out a strategic roadmap that will address emergencies and define our vision and ambitions over the long term. In the short term, I'll obviously be very involved in the debt refinancing.

How do you intend to address the challenges facing the Group?

My motto is simple: nothing stands up to work! The company's objectives are those set by the market and by our customers, but without forgetting our employees. If the goals are ambitious, it's because the market is competitive and demanding. It's up to us to find the right levers to adapt. I think that there are opportunities in every situation. We'll have to identify and implement them. I would also like to take this opportunity to pay tribute to the outstanding work of the Atalian teams that completed the disposal operation, which now enables us to look to the future with peace of mind.

What will be your first actions as soon as you take up your position?

First, I'll meet with the teams and our customers. This will be a very important moment of exchanges for me in order to better understand our challenges, strengths and areas of improvement. My second goal, in the short term, is to surround myself with a strong management team so as to meet our challenges. At the end of this period, I'll propose a strategic plan to Franck Julien, whom I would like to thank again for his trust.

1 PROFILE

atalian@air-france

9 sites (tertiary, airport, warehouses)
1,000,000 m² of buildings cleaned
>1,000 dedicated Atalian employees

CARING FOR PLACES

A MAJOR PLAYER IN FACILITY MANAGEMENT

Founded in 1944, the Atalian group is one of the major players in Facility Management. An independent company solidly established in Europe and the United States, Atalian supports companies and organisations in the management of services for buildings and occupants by providing customised solutions that add value. Atalian operates in the most diverse business sectors and environments with a global and integrated range of services that meet the highest requirements.

KEY FIGURES*

- 2,065.1 million euros of turnover
- 4.6% EBITDA margin
- +1.6% Growth compared to 2021
- 21,000 customers
- 20 countries of location
- 31 countries of operation
- 70,600 employees
- 92% customer loyalty

* At 31/12/2022, on the new perimeter after entities disposal in UK, Ireland and Asia including Aktrion

A WIDE AND INTEGRATED RANGE OF SERVICES

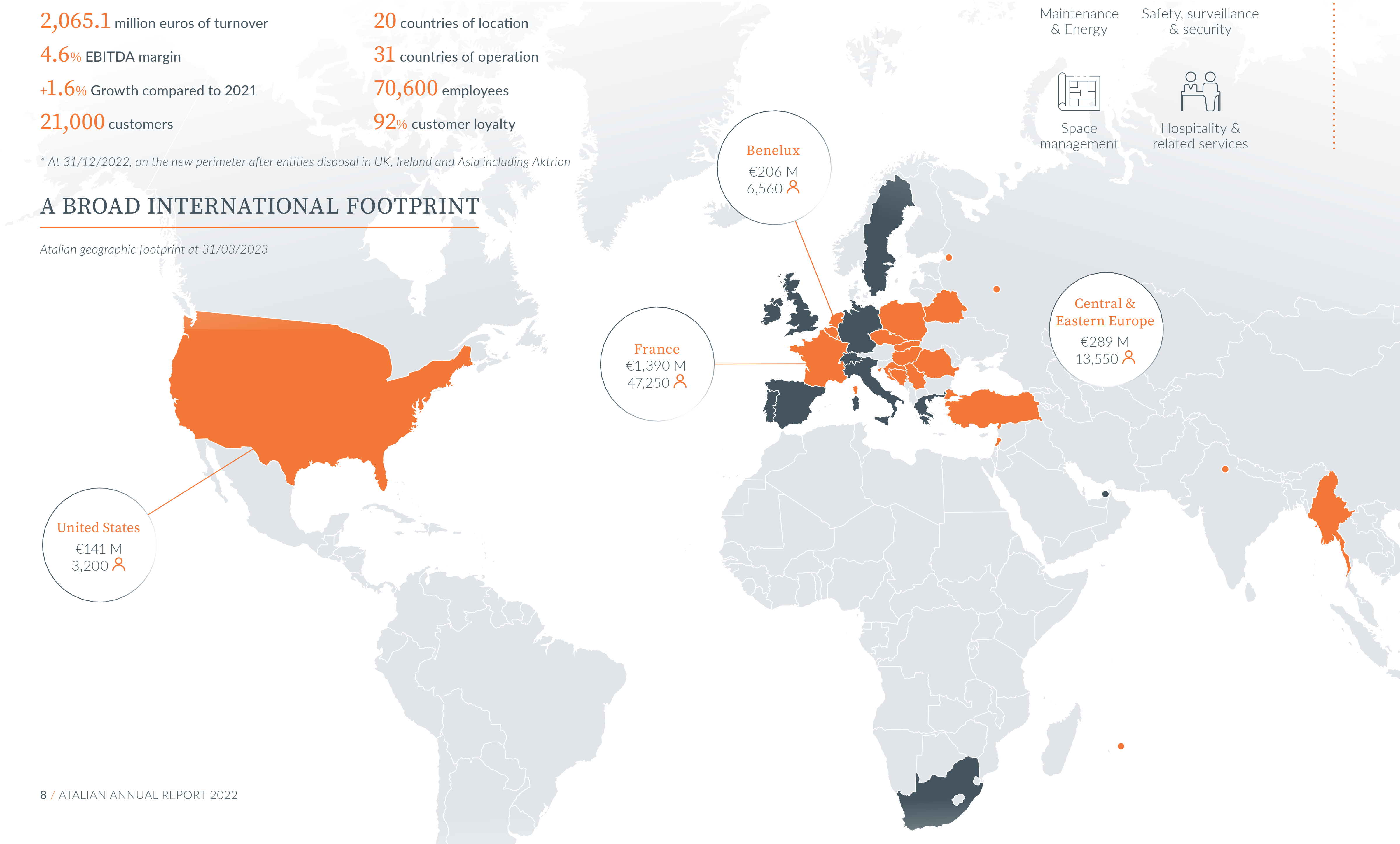
- Facility Management
- Cleaning & associated services
- Airport assistance
- Infrastructure elements
- Maintenance & Energy
- Safety, surveillance & security
- Space management
- Hospitality & related services

OPERATING ENVIRONMENTS AND SECTORS

- Offices
- Mass retail market
- Public areas
- Sales and service areas
- Healthcare establishments
- Industries
- Transport and logistics

A BROAD INTERNATIONAL FOOTPRINT

Atalian geographic footprint at 31/03/2023



Belarus, Belgium, Bosnia, Croatia, Czech Republic, Dubai, France, Germany, Greece, Hungary, India, Ireland, Italy, Lebanon, Luxembourg, Mauritius, Myanmar, Netherlands, Poland, Portugal, Romania, Russia, Serbia, Slovakia, South Africa, Spain, Sweden, Switzerland, Turkey, United Kingdom, United States

Countries where Atalian is established

Countries where Atalian operates through its partners

OUR MISSION

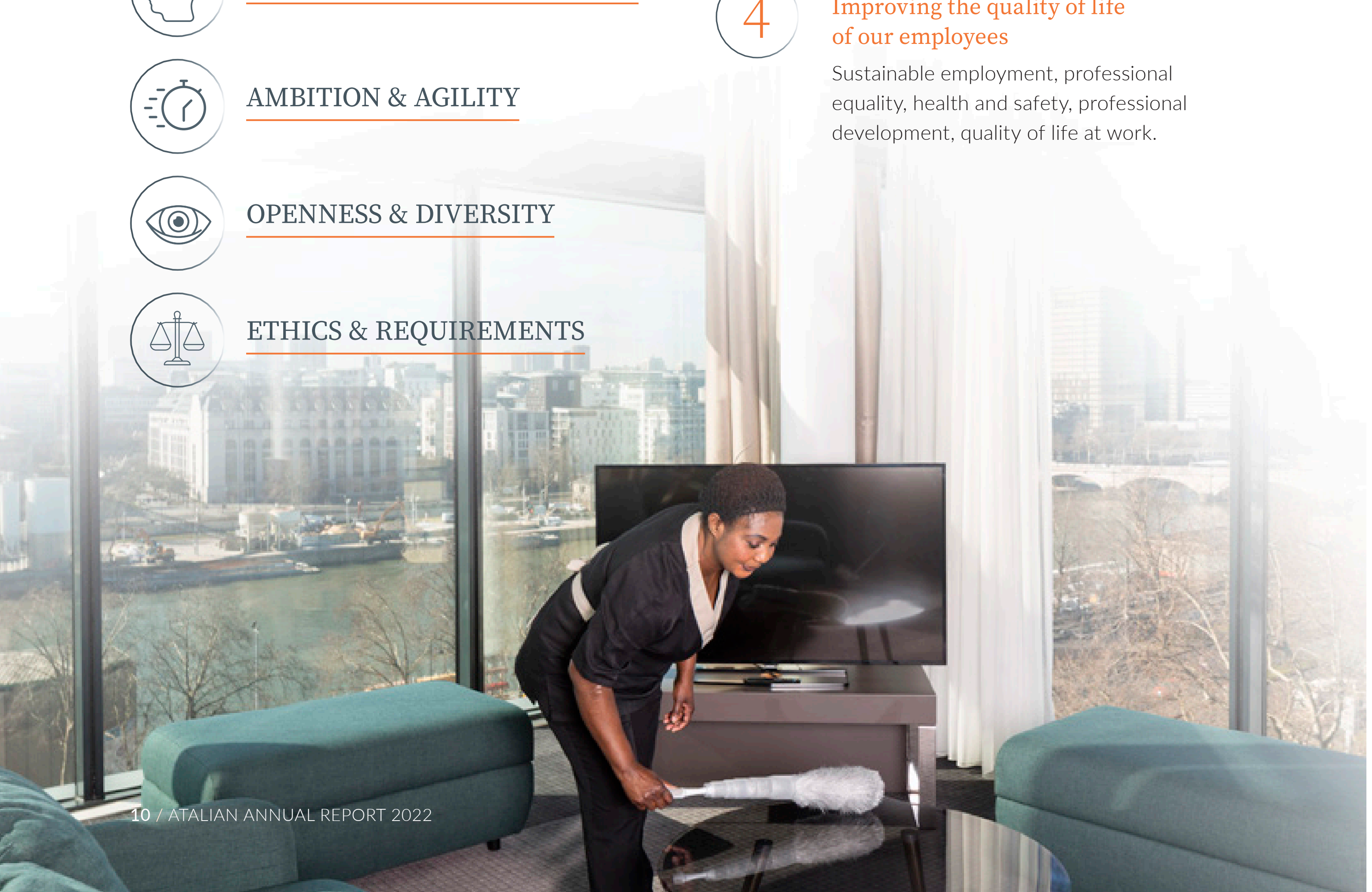
We operate in tens of thousands of **work, living and leisure spaces.** We maintain and secure them, we make them healthier, warmer and more functional so as to provide a unique experience for their occupants and users, while ensuring their value as an asset.

Enabling organisations to focus on their core business and improve their performance by taking care of people and their environment is **our raison d'être**.

OUR VALUES

Atalian forged its identity and built its development on the basis of enduring values, shared by the management and employees alike. These values inspire and guide the decisions and action of the Group in every matter: economic, financial, social, employment and environmental.

- INITIATIVE & RESPONSIBILITY
- AMBITION & AGILITY
- OPENNESS & DIVERSITY
- ETHICS & REQUIREMENTS



OUR COMMITMENTS

We look after people and their environment so that organisations and Society can function better. Our strategies and actions are based on 4 key commitments.

1. **Optimising the operation of buildings and equipment**
   Safety and security, technical and energy performance, environmental impact, budget savings.
2. **Improving the well-being of occupants and users**
   Hospitality, cleaning, health & safety, comfort and quality of life at work, user experience.
3. **Imagining responsible services**
   Reduction of GHG emissions as well as water & energy consumption, waste reduction and management (treatment, recycling, reclamation...).
4. **Improving the quality of life of our employees**
   Sustainable employment, professional equality, health and safety, professional development, quality of life at work.

STRENGTHS OF THE ATALIAN GROUP

ATALIAN GLOBAL SERVICES

A VALUE-CREATING OFFER OF SERVICES

An offer covering the entire FM spectrum, as well as customised solutions that generate economic, social and environmental performance.

TREMENDOUS HUMAN CAPITAL

More than 70,000 employees. Great cultural and social diversity. Talent. Contractors. Varied and complementary expertise.

A DYNAMIC ECOSYSTEM OF PARTNERS

A culture of partnership with the Group's customers and suppliers to co-design and deploy innovative and high-performance solutions.

A VAST AND DENSE NETWORK OF LOCATIONS

A presence in 31 countries. The ability to serve international customers by being always close to their sites.

AN ORGANISATION BUILT FOR PERFORMANCE

Guidelines for the group's trades. Certified management systems. Integrated information, management and reporting tools.

A DIVERSIFIED CUSTOMER PORTFOLIO

21,000 customers, including many key accounts, in all business sectors, offering development opportunities.

OUR MODEL FOR THE CREATION AND SHARING OF VALUE

Atalian intends to generate sustainable growth to benefit all of its stakeholders. Our organisation and strategy are designed to create and share value with our customers, employees, partners and the communities with which we interact.

MOBILISING OUR RESOURCES

HUMAN
- More than 70,600 employees at the heart of our business
- Experienced entrepreneurs enabling the Group to be agile
- Very diverse and very complementary talents
- Great cultural diversity

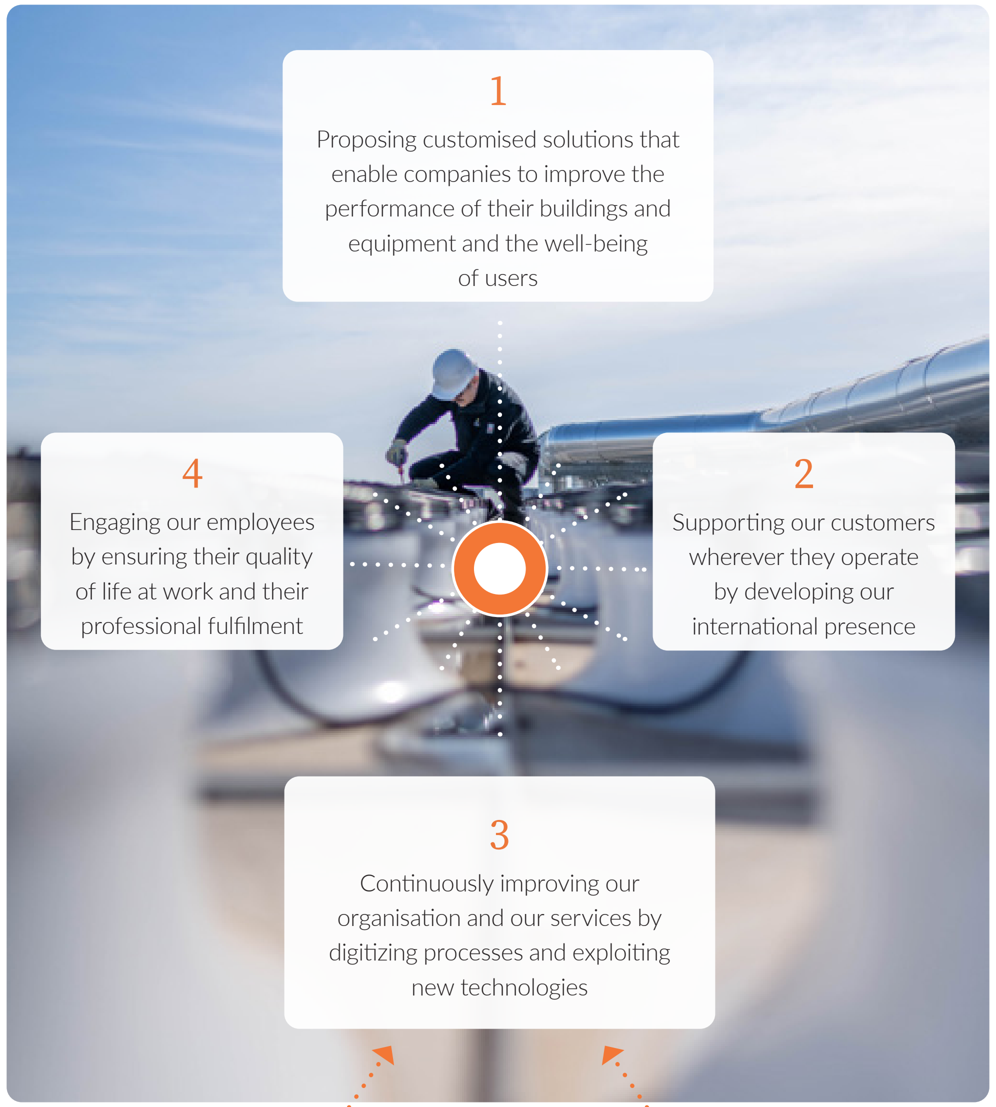
BUSINESS
- A very wide range of business know-how and sectoral expertise
- The ability to perform on its own 85% of the delivered services
- A reference brand in the Facility Management world
- Innovations stemming from partnerships with customers and suppliers

ECONOMIC
- A vast and dense network of sites covering 20 countries
- An ecosystem of innovative partners
- Suppliers and subcontractors meeting the highest performance standards

ORGANISATIONAL
- Group guidelines (processes, procedures, codes, policies, etc.) deployed in all of our subsidiaries
- A global QHSE certification policy
- Management systems certified ISO 9001, ISO 14001 and ISO 45001 or equivalent
- Integrated information, management and reporting tools

FINANCIAL
- A family shareholding of 98.5%, as part of a long-term vision.
- Investors and financial partners enabling the Group to implement its growth strategy

OUR VALUE CREATION LEVERS



TRENDS IMPACTING THE ATALIAN MODEL
- Population growth and urbanization
- Economic globalization
- Technological and digital revolution
- Climate change
- Growing importance of consumers
- Legal and regulatory obligations

SHARING THIS VALUE WITH OUR STAKEHOLDERS

IMPROVING CUSTOMER PERFORMANCE
- Improving quality of outsourced services and the well-being of occupants and users
- Saving energy in buildings
- Reducing our customers' environmental impacts
- Simplifying outsourcing thanks to an integrated FM offer
- Providing recognition (certifications, approvals, etc.)

IMPROVING THE QUALITY OF LIFE OF OUR EMPLOYEES
- Decent wages in all of the countries in which we are established
- Sustainable integration and personal development of our employees
- Improved health and quality of life at work
- Financial and material assistance to the families of our employees

GENERATING POSITIVE IMPACTS FOR SOCIETY
- Social inclusion, diversity at work, fight against precariousness
- Development of responsible purchasing
- Reduction of our environmental impact
- Social and environmental actions for local communities
- Sponsoring education and health initiatives

BUILDING SUSTAINABLE RELATIONSHIPS WITH OUR PARTNERS
- Ethical behaviour with our partners (transparency, loyalty)
- Preventing corruption

2 GROUP STRATEGY

atalian@ST-microelectronics-fr

Cleaning, waste management, logistics & handling
95,000 m² managed
40 dedicated Atalian employees

ATALIAN AT THE CUTTING EDGE OF FACILITY MANAGEMENT

Atalian is a major international player in FM, which is advancing its business to better meet the needs and challenges of companies, thereby enabling them to concentrate on their core business and improve their value chain.

The health crisis and then the war in Ukraine have had a major impact on the world economy over the past three years, but have in no way diminished the Group's determination to remain at the forefront of its industry. The Atalian Group has been built on very solid foundations: a broad offer of services, first-rate human capital, a very dense network of locations and a genuine spirit of conquest.

AN INTERNATIONAL GROUP WITH A STRONG LOCAL PRESENCE

Present in 24 countries in Europe and some 30 states in the United States, the Atalian Group is positioned in dynamic Facility Management markets. It is able to support the largest international groups, wherever they operate, while respecting the same quality standards. Thanks to its dense network of offices, Atalian offers its customers very close proximity and a perfect knowledge of local specificities.

A GLOBAL OFFER OF SERVICES PERFORMED ON ITS OWN

The Atalian Group is one of the sector's few companies that, on its own, covers the entire Facility Management spectrum: cleaning and associated services, security, maintenance and energy, hospitality... Atalian performs more than 85% of the services entrusted to it and manages the other services by delegating their fulfilment to trusted partners selected for their irreproachable service quality..

MULTI-SECTOR EXPERTISE WITH HIGH ADDED VALUE SOLUTIONS

Atalian has customers in all industries, including the most demanding and sensitive. It operates in tens of thousands of production, office, living and leisure spaces, ensuring that they are healthier and more comfortable, as well as safer and more functional. Whether it's a single service, a multi-service or an integrated full FM solution, Atalian enables its customers to focus on their core business and improve their economic, social and environmental performance.

AN OFFER THAT MEETS THE NEW CHALLENGES FACING COMPANIES

Atalian helps companies to meet their new challenges: outsourcing of services, reorganisation of work methods and processes, energy performance of buildings, well-being of occupants, cost control, etc.

KEY FIGURES

90.7%
Share of Group turnover generated in entities with ISO 9001 or equivalent certifications

88.6%
Share of Group turnover generated in entities with ISO 14001 or equivalent certifications

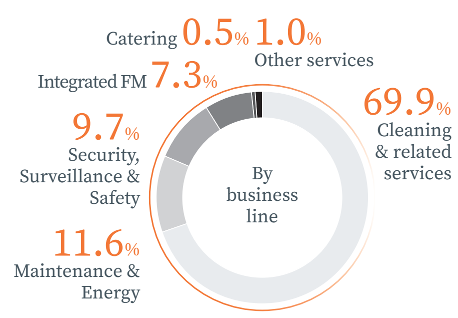
90%
Share of Group turnover generated in entities with ISO 45001 or equivalent certifications

To achieve this, Atalian is constantly developing its service offer. The Group is diversifying its services, innovating, digitizing its processes, and co-designing increasingly customised solutions with its clients in order to improve their value chain.

AN ORGANISATION DEDICATED TO PERFORMANCE AND CUSTOMER SATISFACTION

Atalian Group has developed a culture of operational excellence. It continuously transforms and optimises its methods and processes in an effort to improve customer satisfaction and enable the Group to fully assume its social responsibility. The Group's QHSE policy has enabled it to continuously improve its performance and obtain the most demanding certifications across its perimeter. The Group's challenge is not only to maintain the certifications obtained and to make them useful in the application of processes, but also to set up expert guidelines.

GROUP TURNOVER DISTRIBUTION



A SOLID SALES DYNAMIC

● Renewal or extension of contract
● New contract

01/22
Mondelez
Safran
SNCF Réseau
Swift
IFP Énergies
La Poste
Ministère des Armées
Orange

02/22
CHU Henri Mondor
Air Liquide

03/22
Orange
Institut Curie

05/22
Gustave Roussy

06/22
Servair

07/22
PWC
Schneider Electric
Solvay

08/22
Chronopost Corbas
Marriott Group

09/22
Adoma

10/22
Aéroports de Paris
Kingfisher
Euro Disney (Hôtel New York)
Hôtels Meininger

11/22
Enedis
INRAE

12/22
France Télévision
ING

01/23
IKEA

ALL THE EXPERTISE OF FACILITY MANAGEMENT

CLEANING & RELATED SERVICES

Cleaning and hygiene of all types of buildings and surfaces, using all of the techniques and methods available on the market. The Group relies on specialised departments for highly specific sectors (industry, agri-food, ultra-cleaning, nuclear, mass distribution, health, hotels, transport, etc.).

- **Specific know-how:** Residual disinfection – Bio-netting – Treatment of all types of floors - Ultra-cleaning – Cryogenics – Graffiti removal – Steam – Structured water – Ozonated water
- **Associated services:** Waste management (collection, sorting, storage) – Sanitation (cleaning & descaling) – Air hygiene (network disinfection) – Pest control, disinfection – Small maintenance – Handling – Working environment management – Stock and procurement management – Setting up of meeting rooms – Management of common areas – Office to office relocations

SECURITY, SURVEILLANCE & SAFETY

A very broad range of services combining know-how, technologies and digital systems to guarantee the integrity of persons and property in all types of environments.

- Surveillance, safety, security
- Technical security solutions
- Airport security

AIRPORT ASSISTANCE

A complete range of assistance solutions for airports, airlines, passengers and baggage handling.

- Runway assistance
- Baggage and cargo handling
- Passenger assistance

atalian@schneider-electric

A FULL FM CONTRACT IN 19 COUNTRIES

Schneider Electric Group, a world leader in digital energy solutions and automation for energy efficiency and sustainability, has signed a 5-year contract with Atalian Facilities, our subsidiary dedicated to FM steering, for the management of more than 150 commercial and industrial sites, located in 19 European countries. The mission of Atalian Facilities is to ensure, across the perimeter, the harmonisation of services, the optimisation of costs and value creation on the various service lines for buildings and occupants: cleanliness, technical maintenance, green space management, waste management, 3D, etc. The Atalian Group itself performs most of the services in the European countries where it operates, and has them performed by partners in Germany, the United Kingdom, Italy, Spain and Greece. This very large-scale full FM contract is indicative of Atalian's credibility in the FM market and its capacity to meet the requirements of very large international companies.

- 19 European countries
- +150 tertiary and industrial sites

One of Atalian's strengths is that we believe passionately in our trades and in self-delivery.

MAINTENANCE & ENERGY

A range of complementary services and solutions to ensure the operation and maintenance of building technical installations as well as the monitoring and optimisation of the energy consumption of buildings.

- Building technical management
- Maintenance and works
- Energy Management
- Management of industrial utilities
- Monitoring and prevention, 24-hour on-call service

SPACE MANAGEMENT

- Transformation of work environments
- Space planning: offices, open space, co-working, brainstorming, QWL area...
- Management of relocations and movements within companies
- Management of the stock of furniture, Flex Office deployment

INFRASTRUCTURE ELEMENTS

Floor coverings and parquet – Paintings and wall coverings – Fitting-out and conversion of premises: carpentry, masonry, partitions...

HOSPITALITY & RELATED SERVICES

In exclusive partnership with City One. Hospitality in companies and public places – Event hosting

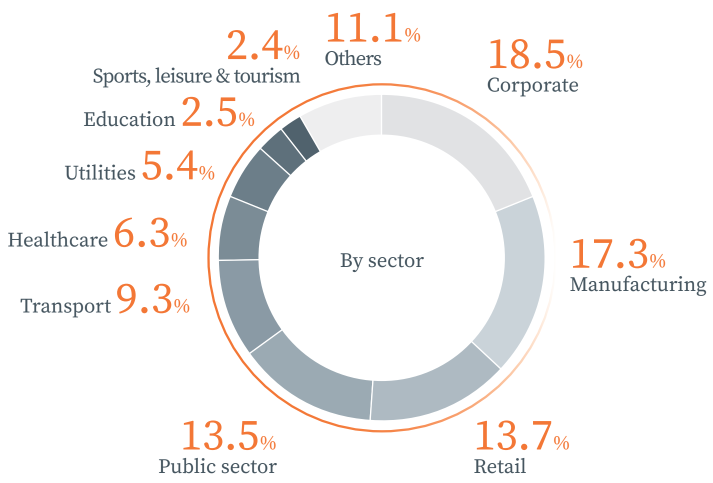
FACILITIES MANAGEMENT

Atalian can provide centralised management of all outsourced services on behalf of its customers (building services, occupant services) and perform them through its own efforts or delegate them to trusted partners selected for their impeccable quality of service.

A DIVERSIFIED CUSTOMER PORTFOLIO

Over the years, the Group has developed and maintained a diversified and resilient portfolio of customers. The Group is active in all business sectors, within the most diverse industries, the tertiary sector, transportation, administrations and public services, based on its in-depth knowledge of the environment, expectations and constraints of its customers. The Group has a very wide range of know-how and sectoral expertise that enables it to provide companies with bespoke solutions and integrated offers.

BREAKDOWN OF THE 2022 TURNOVER BY BUSINESS SECTOR



OPERATING ENVIRONMENTS AND SECTORS

OFFICES
Administrative sites, head offices, co-working areas...

MASS RETAIL MARKET
Shopping centres, supermarkets...

PUBLIC AREAS
Culture, education, entertainment, sports, leisure...

HEALTHCARE ESTABLISHMENTS
Hospitals, clinics, laboratories...

INDUSTRIES
Aeronautics, food industry, automotive, chemicals, cosmetics, electronics, nuclear, paper, petrochemicals, pharmaceuticals, iron and steel...

SALES AND SERVICE AREAS
Shops, agencies and branch networks, hotels, restaurants, canteens...

TRANSPORT & LOGISTICS
Rail & air transport, metro, train stations, airports, logistics platforms...

atalian@enedis-fr

SUPPORTING A MAJOR ENERGY PLAYER THROUGHOUT FRANCE

Enedis, a subsidiary of EDF, has chosen Atalian as its exclusive partner to perform the maintenance of all of its tertiary buildings, operational sites and warehouses. Enedis is the primary manager of the public low and medium voltage electricity distribution network in France. More specifically, Enedis manages the low and medium voltage network on 95% of the territory. To meet the high expectations of a major energy player, in a high-stakes sector, Atalian has mobilised its national network of agencies and delivers a range of diversified services: maintenance of offices and warehouses, waste treatment, pest control and disinfection, glazing and specific services... The volume of services to be provided requires national, regional and local steering of the operations in full coordination.

- 1 million m² of surfaces to be maintained annually
- 677 sites
- 400,000 m² of glazing
- 45,000 occupants
- 950 dedicated Atalian employees

atalian@eurotunnel-fr

SECURING THE CALAIS TERMINAL

Atalian provides Eurotunnel with security and monitoring of all accesses to the site and to the tunnels at the Calais terminal. Atalian provides a global service on a 650 hectare site:

- access control to the site and tunnels, management and control of site alarms,
- management of the 24-hour security station: controlled access, alarms, intrusions and deployment of intervention patrollers,
- deployment of tracking dogs in case of intrusion, localization and interception of intruders,
- visual inspection of trucks using advanced technologies: heart beat detector, electronic imaging system (Passive MilliMeter Waves, X-ray scanner),
- random Vigipirate boot inspections.

Based on its extensive security expertise, Atalian advises Eurotunnel on the optimisation of the existing systems.

- 650 hectares
- 30 km of periphery
- 24/365 Security station
- 65,000 freight vehicles per month
- 670 positive detections each month
- 13 geo-localized patrol vehicles operating 24/365
- 100 security guards
- 70 dog handlers

A BROAD INTERNATIONAL FOOTPRINT

THE ABILITY TO SERVE LARGE INTERNATIONAL GROUPS

Atalian has grown internationally over the past 20 years through numerous acquisitions and is now present in 15 European countries and the United States. This broad geographical footprint enables Atalian to be positioned in dynamic markets and to serve not only local or regional customers, but also large international groups while offering them a perfect understanding of the specificities and challenges of each territory. Atalian's value proposition has led to numerous large-scale commercial successes in recent years, with customers such as Air Liquide, Auchan, Carrefour, Continental, Electrolux, IKEA, ING, Safran, Schneider Electric, Solvay and Swift.

> *Atalian is established in high-growth markets and is able to support international groups by delivering a very broad range of high-quality services wherever they operate.*

AN INTEGRATED, UNIFORM AND EFFICIENT SERVICE OFFER ACROSS OUR PERIMETER

The Group's local subsidiaries have extensive know-how and expertise that enable them to provide bespoke solutions and integrated offers in all major business sectors (industry, tertiary, health, transport…). Wherever it operates, Atalian delivers premium services that comply with the Group's highly demanding guidelines and guarantee consistent quality standards. The Group's strategy is to strengthen its multi-service hospitality, particularly with key account customers, by developing cross-selling, increasing the share of technical services and setting up longer-term FM steering contracts. Throughout its territory, Atalian's activities are also part of a socially responsible initiative.

atalian@air-liquide

ACCOMPANYING AN INDUSTRY LEADER WHERE IT OPERATES

A major global player in gases, technologies and services for industry and health, Air Liquide has entrusted Atalian with the management of a range of FM soft services (cleaning and associated services, hospitality, coffee and water fountains, green space management, waste management) on a large number of its sites in France, Belgium, Luxembourg, the Netherlands and the United Kingdom. With its many areas of sectoral expertise, Atalian is active on highly diversified industrial sites (gas production and conditioning, for the chemical, health and agri-food industries), some of which are classified as Ceveso, as well as on tertiary sites, warehouses and commercial agencies. The deployment of this contract with Air Liquide, initiated at the end of 2021, continued throughout 2022.

- 113 sites already activated (75 sites in France, 20 sites in Belgium, 14 sites in Netherlands, 1 site in Luxembourg, 3 locations in the United Kingdom)
- Approximately 150 dedicated Atalian employees

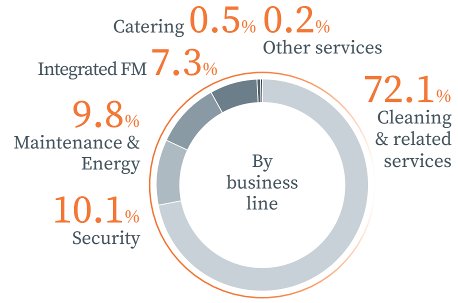
FRANCE & BENELUX

Tarek Sehnaoui
CEO France & Benelux

The Atalian group generates 77% of its turnover in the France-Benelux area, and is one of the leaders in the FM market. It offers a complete range of services and relies on a very dense network of locations. Atalian has a highly diversified customer portfolio within this perimeter, that contributes significantly to the Group's results.

- €1,594.7 M of turnover
- 77.2% of Atalian global turnover
- 53,800 employees
- > 100 locations

TURNOVER BREAKDOWN



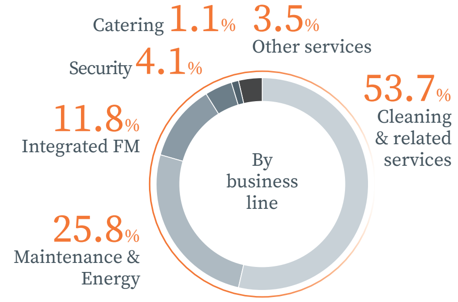
CENTRAL & EASTERN EUROPE

Norbert Moussart
CEO Central & Eastern Europe

Atalian began its presence in Central and Eastern Europe 20 years ago, while developing through external growth. The Group now operates in more than 11 countries, in a diversified region in political, regulatory and economic terms, that offers strong development potential. Atalian has a very solid base to support large international companies by offering a wide range of services.

- €288.6 million of turnover
- 14.0% of Atalian global turnover
- 13,550 employees
- 11 countries of location

TURNOVER BREAKDOWN



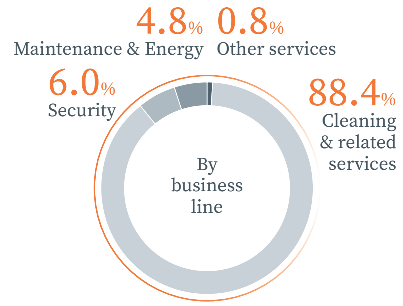
UNITED STATES

Peter Walsh
CEO United States

Atalian has been present in the United States since 2016, with its development coming through successive acquisitions. Atalian operates in 30 U.S. states, primarily on the East Coast, in the South and Midwest, and its activity is overwhelmingly focused on cleaning and associated services.

- €141.1 million of turnover
- 6.8% of Atalian global turnover
- 3,200 employees
- 30 states

TURNOVER BREAKDOWN



HIGH ADDED VALUE CUSTOMISED SOLUTIONS

Rising energy costs, changing work patterns (telecommuting, flex-office, etc.), environmental obligations (reduction of GHG emissions, waste management, etc.) and the difficulty surrounding personnel recruiting and retention have created new needs for companies. These are often very specific needs, that call for customised service solutions.

> *Our solutions are customised and contribute to improving the economic, social and environmental performance of our customers.*

atalian@aéroports-de-paris

ATALIAN DEVELOPS A PAY-AS-YOU-GO SERVICES MODEL

A partner of the Aéroports de Paris Group, Atalian operates on 9 tertiary sites, airport sites (6 terminals at Paris-Orly and Paris-Charles de Gaulle) and ADP warehouses to deliver cleaning services and related services.

- Cleaning and associated services in the terminals (public areas, passengers and sanitary facilities)
- Cleaning of parking lots and areas, and associated pavements
- Cleaning of the support base for taxis
- Cleaning of tertiary and technical buildings
- Maintenance of baggage carts

Atalian and ADP are now co-developing the implementation of an intervention model sized and planned according to actual passenger flows, in an effort to optimise the efficiency and quality of services. Passenger flow data transmitted by ADP are exploited by Atalian with «stress test planning» tools and make it possible to allocate the right resources (hospitality, security, cleaning...) to the right tasks at the right time.

- 9 sites (tertiary, airport, warehouses)
- >1,000 dedicated Atalian employees
- 24-hour operations

AN APPROACH FOCUSED ON CUSTOMER NEEDS

One of Atalian's strengths is precisely its ability to offer bespoke solutions, often developed in co-creation with its customers. These solutions are based on a very detailed analysis of the company's needs and constraints, and involve technological innovation, process digitization, the use of building data, and even the opening of new service lines (handling, shelving, space management, etc.). These solutions require test phases and, when deployed, generate economic, social and environmental performance gains. They also enable Atalian to strongly integrate into the value chain of its customers and to build sustainable partnerships.

HIGH ADDED VALUE FM SOLUTIONS

THE ATALIAN OFFER

COMPREHENSIVE AND INTEGRATED
- Multi-business and multi-technical offer of services
- Consistent methods and processes in all countries

RESPONSIBLE
- Energy and waste management solutions
- Use of eco-friendly processes and products
- Responsible purchasing policy
- Management systems certified ISO 14001 and ISO 45001 or equivalent

BESPOKE
- Single service or multi-service contracts, FM steering
- Customised solutions, co-designed solutions
- Interventions according to the usage

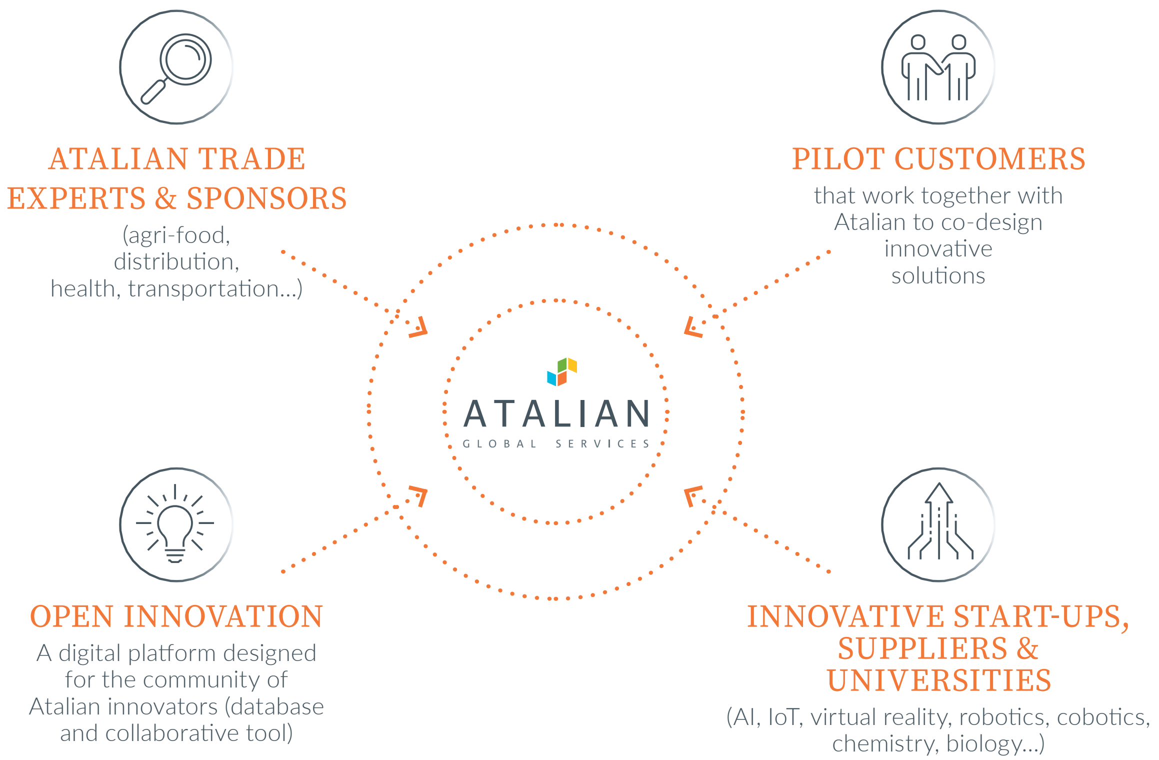
EFFICIENT
- Optimisation of building performance
- Optimisation of the well-being of occupants and users
- Compliance with the most demanding quality standards
- Management systems certified ISO 9001

INNOVATIVE
- Robotization of delicate, arduous or dangerous tasks
- Use of science and new technologies
- Digitization of processes (data collection, analysis, reporting...)

A VERY ACTIVE INNOVATION PROCESS

The Atalian offer benefits from **a very pragmatic innovation approach**. The Group is interested in existing innovations or those under development, with a view to rapid deployments. Each studied innovation must have a concrete application, with possible integration into a marketable offer. Innovations likely to meet an identified need are tested in partnership with pilot customers (proof of concept). Depending on the observed results, they can then be deployed.

ATALIAN INNOVATION ECOSYSTEM



OUR PRIORITY AXES OF INNOVATION

- **Decarbonization**: services and initiatives that limit our GHG emissions; roll-out of our Maintenance & Energy offer to our customers
- **Robotization & cobotization**: Reduction of arduous and/or dangerous tasks, productivity gains, optimisation of resources
- **Pay-as-you-go services**: adapted pay-as-you-go services for buildings (occupancy, flow, satisfaction, comfort, risk control, traceability, security)
- **Agent training**: continuous and autonomous training, improvement of expertise, immersive training in relation to the environment and the real working conditions of our agents, learning method
- **Fighting precarious employment**: proposal of additional missions for volunteer employees via dedicated applications

THE ONE ATALIAN DIGITAL PLATFORM OPTIMISES PERFORMANCE STEERING

The digitization of processes, operations monitoring and reporting is profoundly transforming the FM trades. Atalian has been investing for several years so as to take full advantage of all of the opportunities offered by digital.
The deployment of the **One Atalian** platform illustrates the Group's focus on **performance steering**. This online platform provides the Atalian teams and their customers with a 360° view on contracts and the ability to manage operations (ticketing, complaints, estimates, service requests, etc.).

One Atalian connects to all business line management and monitoring applications: management of activities and on-site interventions, quality control, accidentology, customer satisfaction surveys, CAMM, user portal for customers, etc. The platform provides for real-time sharing and consultation of all useful data related to the services provided (contractual documents, reporting, dashboards...). One Atalian is a multi-site, multi-trade, multi-country cockpit used for many Atalian customers.

atalian@carrefour

NEW SERVICE LINES FOR THE MASS RETAIL MARKET

Atalian works on more than 300 Carrefour sites in France, in extremely different working environments: supermarkets (Carrefour Market) and hypermarkets, shopping centres, logistics platforms, head offices, including the Group's headquarters in Massy, and offices. The group provides multi-services (cleaning, security, surveillance) and multi-technical services (Maintenance & Energy). Atalian has deployed robotic scrubbers to optimise productivity and protect the health of its employees.

To strengthen this partnership, the Group is currently studying the opening of new service lines that will leverage existing Atalian teams by integrating them more strongly into the value chain of Carrefour stores.

- Partner of Carrefour for over 20 years
- 100 hypermarkets, 110 supermarkets, 70 shopping centres, 10 platforms
- 1,200 dedicated Atalian employees

AN EXPANDING FM STEERING OFFER

Atalian Facilities, the Group's subsidiary dedicated to FM steering, supports its customers wherever they operate through centralised and optimised steering of their outsourced services.

Eric Soriano
Head of International Business Development Atalian Facilities

A RESPONSE TO THE OUTSOURCING NEEDS OF LARGE INTERNATIONAL AND MULTI-SITE COMPANIES

Atalian Facilities is the Atalian Group entity dedicated to Facility Management. With its quick growth, Atalian Facilities is a response to a strong market expectation and more particularly that of large national and international multi-site companies that wish to focus on their core business, while improving their financial performance and the quality of their services.

For its customers, Atalian Facilities provides centralised steering of all of the services for buildings and occupants that they wish to outsource. Whether for a multi-service or full-service, the company has only a single point of contact: Atalian Facilities. As part of this FM steering mission, the Atalian Group can perform all or part of the services itself, via its business line subsidiaries, or delegate certain services to trusted partners selected according to the company's needs.

BESPOKE SOLUTIONS THAT HELP COMPANIES TO MEET NEW CHALLENGES

Atalian Facilities has considerable assets, within the Atalian Group and through its ecosystem of partners, to offer bespoke solutions that will help companies to meet their new economic, social and environmental challenges. Atalian Facilities relies on the full range of know-how (cleaning, security, maintenance & energy...) and sectoral expertise of the Atalian Group and on its large geographical footprint, to deliver on its own 60% of the managed services.

Atalian Facilities is also developing partnerships with international players and start-ups in an effort to bring innovative and efficient solutions to specific or emerging issues of companies: energy supply and savings, water and waste management, smart building, new working method, occupant services, etc.

ATALIAN FACILITIES SUMMARY

Annualized turnover*: €120M

20 countries of operation

60% Own execution rate of managed services

125 employees

Main contracts: Air France, Air Liquide, BASF, IKEA, Safran, Schneider Electric, Solvay, Swift

Turnover reported at 31/12/2022: €94 M

atalian@mondelez

MULTI-SITE AND MULTI-SERVICE FM STEERING

In France, Atalian Facilities looks after the FM steering of two production plants of the Mondelez group (n°2 worldwide in the agri-food sector). The contract covers on-site FM steering, tertiary and industrial cleaning, technical maintenance (tertiary and industrial processes), management of wastewater treatment plants, security, hospitality and switchboard management.

Food safety and the security of property and people are absolutely essential for Mondelez. The contract's flexible governance, ensured by a central Global Manager assisted by site pilots, enables Atalian Facilities to leverage all of the know-how and expertise of the Group and its partners in technical, energy and services fields, in order to meet Mondelez' very high expectations.

- 2 production sites
- 50,000 m² managed
- 200 Atalian employees and dedicated local subcontractors

atalian@atos

VERY HIGH-STAKES FM STEERING

The Atos Group, one of the world's top 10 digital services companies, has entrusted Atalian Facilities with the FM steering of 23 logistics and tertiary sites in France, including its headquarters and several sites classified as «Defence secret». The contract covers a wide range of services: on-site FM steering, tertiary cleaning, technical maintenance, space planning, waste management, security and safety, 3D, green space management, hospitality and switchboard. The priorities of Atos are the safety of its sites and the provision of a healthy working environment for its employees. With its organisation close to occupants, Atalian provides all of the operational guarantees to meet these priorities. Atalian also supports Atos as part of its real estate renovation projects with the help of specialised AMO employees, which has enabled Atos to delegate the monitoring and reporting of its large-scale projects. Contract governance is provided by a central Global Manager, assisted by multi-site pilots.

- 23 sites steered in France
- 220,000 m² managed
- 1,500 dedicated Atalian employees

KEY SECTORAL AREAS OF EXPERTISE

Atalian operates in all environments and industries, including the most demanding and sensitive: airport, nuclear, transport networks, health, agri-food... Regardless of the environment or sector, Atalian offers a complete range of services adapted to the specific needs of companies.

Atalian has recognised sectoral expertise and all of the certifications required to deliver services that meet the highest standards and requirements. Its business line and market experts ensure that the offers align with the challenges of the sectors in question: regulatory changes, safety standards, certifications, benchmarks, environmental impacts, social climate, technical or behavioural prerequisites... The operational teams, aware of the company's specificities, can therefore adapt their on-site interventions from the very start of the contracts.

For each business sector, Atalian has set up teams of specialists who provide companies with all of the necessary expertise.

Tertiary & head offices
Healthcare establishments
Ultra-cleanliness
Industry
Nuclear
Agri-food
Shopping centres and supermarkets
Hotels
Transportation
Logistics

atalian@commission-européenne

ATALIAN'S TERTIARY SECTOR EXPERTISE

Since 2019, Atalian has looked after the cleanliness of 64 European commission sites in Brussels. The FM steering contract covers tertiary cleaning (rooms, lounges, offices, technical rooms, kitchens, cafeterias), window cleaning, cleaning of blinds, canopies, curtains and flags, pest control, maintenance of green spaces (interior and exterior) and snow removal.

600 Atalian agents work every day to ensure that occupants enjoy a healthy and pleasant environment, which represents more than 3,000 hours of services per day, 245 days per year. Since 2022, Atalian has also looked after the cleaning of the European Parliament. 98% of the services are performed by Atalian itself.

– 64 sites (Brussels)
– 800,000 m² of space and offices
– 400,000 m² of windows
– 600 dedicated Atalian employees

atalian@aptar-pharma

ATALIAN'S ULTRA-CLEAN EXPERTISE

Aptar Pharma is one of the world's leading manufacturers of mechanical drug delivery devices. Working in clean rooms, it manufactures pumps, valves, single-doses powder inhalers and systems for aerosols, sprays and injections, particularly by nasal, oral, pulmonary and injectable routes.

For the past 10 years, Aptar Pharma has entrusted Atalian to manage the cleanliness of its plant in Le Vaudreuil (Normandy) and associated services, as well as internal waste collection and management. This plant, which requires expertise in ultra-cleanliness, is now an international showcase for the Aptar Pharma technologies.

The solutions implemented by Atalian include:
- Support and implementation of technological innovations, including dematerialized traceability,
- Regular communication with Aptar Pharma and performance audits,
- the preparation of a multi-year progress plan,
- methodological recommendations and document management in compliance with GMP.

– Partner since 2007
– 45,000 m² including 7,000 m² of clean rooms
– 28 dedicated Atalian employees

atalian@airbus

ATALIAN'S INDUSTRIAL EXPERTISE

The Airbus-Atalian partnership began in 1992 with an industrial cleaning contract for 3 tertiary and construction sites of Airbus Aircraft in Toulouse and of Airbus Atlantic in Nantes and Montoir-de-Bretagne: cleaning of aircraft during assembly, assembly buildings and paint booths.

In 2014, a multi-site FM contract was signed, covering a wide range of additional services: cleaning of offices and clean rooms, green spaces, mail, archiving and copying, switchboard, 3D, snow removal of all sites, with 24-hour on-call duty. The contract covers the 3 historical sites and the Airbus Defence & Space sites in Elancourt and Toulouse (satellite assembly) as well as the Airbus Helicopters site in Marignane (helicopter assembly).

This partnership was further extended in 2014 with a Space management & Relocation contract for the 3 sites in Nantes, Montoir-de-Bretagne and Marignane, covering the studies and design of the layout of the surfaces, the realisation of the works, the update of plans, the relocation of furnishings and the personnel, and the management of furniture stocks.

– 6 tertiary and industrial sites
– 760 dedicated Atalian employees

RESPONSES TO NEW SOCIETAL CHALLENGES

Atalian has fully grasped the upheavals taking place in the economy and in society today due to climate change, the destruction of biodiversity, the depletion of natural resources, the digital revolution and the new aspirations of citizens. To help companies and organisations face new challenges and operate better, Atalian offers solutions that contribute to improving their economic and societal performance.

- Improvement of the energy performance of buildings, reduction of energy consumption and therefore of GHG emissions, reduction of water consumption...
- Optimisation of waste management and preservation of non-renewable resources (treatment, recycling, reclamation...)
- Enhancing the well-being of occupants, users and employees (quality of hospitality and assistance, hygiene, cleanliness, comfort and safety of the premises, quality and diversity of services offered, etc.)
- Promotion of sustainable purchasing (sustainable purchasing charter, supplier charter, code of ethics, etc.)

atalian@institut-curie

ATALIAN AND THE ENERGY PERFORMANCE OF BUILDINGS

In 2022, the Institut Curie, a European leader in the fight against cancer, entrusted Atalian Maintenance & Energy with the maintenance of the heating, ventilation, air conditioning and high current installations of several of its research sites, hospital complexes and institutional services: Paris hospital complex, Saint-Cloud hospital complex, Orsay proton therapy centre, Paris and Orsay research centres. Chosen for its expertise in multi-technical and energy maintenance of real estate assets, Atalian is responsible for optimising the energy performance of buildings through the use of clean tools and technologies in line with the objectives of the BACS and Tertiary decrees. The Institut Curie benefits from the One Atalian platform for the steering of its performance.

- 25 buildings
- 1,200 occupants
- 140,000 m² of buildings maintained
- 12 dedicated Atalian employees

atalian@chu-toulouse

ATALIAN AND AUTOMATED WASTE MANAGEMENT

In partnership with the start-up company Trinov, Atalian has deployed a highly innovative waste management solution at the Pierre-Paul Riquet Hospital of the Toulouse University Hospital Centre. This Saas & IoT solution automates waste traceability through sensors or chips placed in the various waste containers and immediately identifies waste management anomalies using machine learning algorithms. In a sector where separation constraints between hazardous and non-hazardous materials are very strict and where sorting errors are very expensive, the ability to trace flows by geographical sector and by waste type, and to steer the activity in real time, provides health establishments with true added value.

- 85,000 m²
- 600 beds
- 2,000 on-site professionals

atalian@euro-disney

ATALIAN AND THE HOTEL SECTOR

Atalian has true expertise in the hotel sector. The Euro Disney Group has entrusted it with the cleaning of the emblematic 4-star New York Hotel at Disneyland Paris, which has been completely reinvented based on Marvel Superheroes: The Art Of Marvel. Atalian provides daily maintenance of the 561 rooms and common areas as well as the hotel's in-depth cleaning services.

Atalian also maintains the indoor and outdoor public areas (pools, kiddie pools and jacuzzi, Metro Health Club, outdoor Hero Training Zone, New York Boutique, sauna & steam room): night services (in-depth cleaning), periodic renovation services, management.

Atalian has implemented eco-responsible cleaning processes and a very active training, integration and engagement policy for Atalian employees working on the hotel site.

- 561 rooms
- 42,000 m² of public space, including 34,000 m² of outdoor space
- 420 dedicated Atalian staff (head of housekeeping, supervisors, team leaders, housekeepers, runners...)

atalian@chronopost

Parcel handling and logistics
183 million packages processed
630 dedicated Atalian employees on 7 sites

CARING FOR PLACES

3 SOCIAL RESPONSIBILITY

DIALOGUE WITH OUR STAKEHOLDERS

The sustainable and responsible growth of the Atalian group depends on its ability to work, communicate and share value with its stakeholders. This is why Atalian is committed to integrating all of its stakeholders, both internal and external, within its transformation and value creation strategy.

PERSONNEL

Employees, work experience students, trainees, trade union organisations

Forms of dialogue: Social dialogue bodies, annual interviews, internal social networks, internal surveys, etc.

CUSTOMERS AND BENEFICIARIES OF OUR SERVICES

Private and public customers, building occupants, users of services, customers of our customers, etc.

Forms of dialogue: Professional relationships, customer relationship services, satisfaction surveys, trade shows, conferences, external social networks

SUPPLIERS AND SUBCONTRACTORS

Subcontractor service companies, industrial and technological companies, suppliers of products, equipment and technologies

Forms of dialogue: Contractual relations, co-innovation and co-development partnerships, audit and assessment of the CSR performance of suppliers and subcontractors

FINANCIAL COMMUNITY

Shareholders, investors and banks. Analysts and rating agencies, economic and financial press

Forms of dialogue: Financial communication, investor presentations, specific interviews, publications and activity reports

CIVIL SOCIETY

Citizens, surrounding communities, associations and NGOs (employment, education, health, etc.), academic and scientific world, public authorities

Forms of dialogue: Sponsorship and partnerships with associations, NGOs, schools, health institutions and public authorities, external social networks

OUR SOCIAL RESPONSIBILITY INITIATIVE

Since 2010, the Atalian Group has been committed to a social responsibility initiative and has integrated the principles and structuring of the ISO 26000 standard.

The Group's CSR strategy includes a list of 17 environmental, social and governance issues, while prioritizing them in view of their importance for the Group's stakeholders and their impact on its activities.

Atalian has been a member of the United Nations Global Compact since 2012. Through its decisions, actions and services, the Atalian Group is helping to realise 9 of the 17 sustainable development goals (SDG) defined by the United Nations in 2015, goals that relate directly to its business lines.

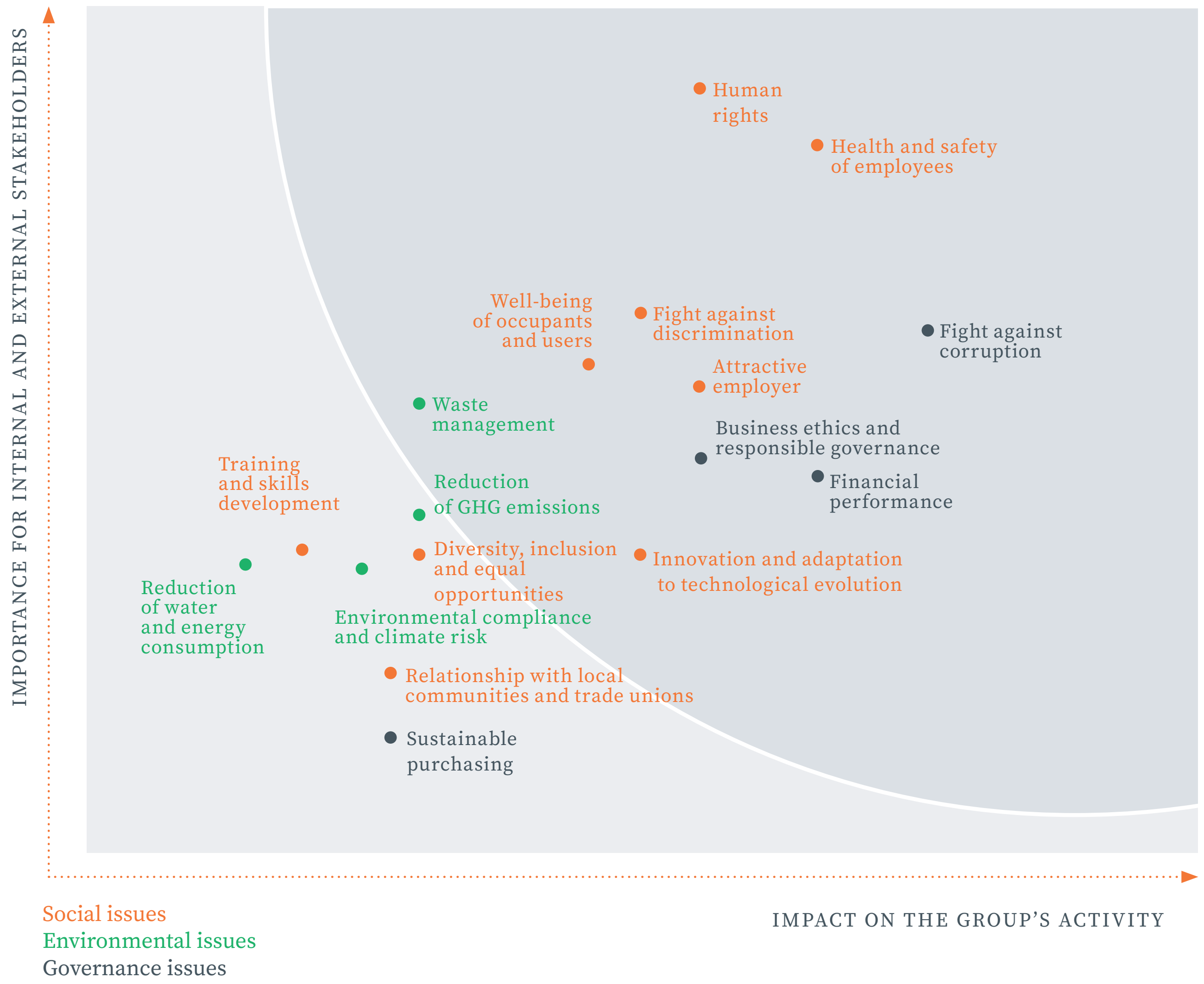
Atalian is a signatory of the Diversity Charter (2014) and of the Caring for Climate declaration (2015).

To formalize its objectives and commitments to its stakeholders, the Group has enacted principles, behavioural rules and procedures that are presented in detail in its corporate social responsibility charter (2016), code of ethics (2017), purchasing ethics charter (overhaul in 2021) and business conduct code (2018). The Group is firmly committed to enforcing this both internally, and in relations with outside stakeholders: customers, suppliers, service providers, subcontractors and partners, as well as the communities impacted by its activities.

OUR 10 PRIORITY CSR ISSUES

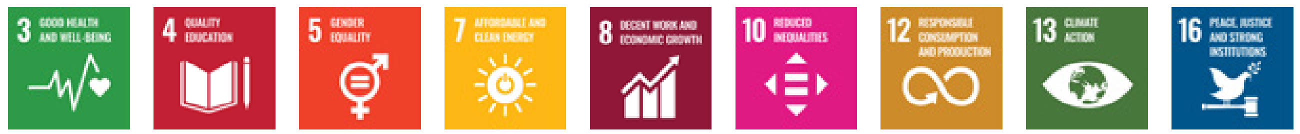
1. Health and safety of employees 2. Fight against corruption 3. Human rights 4. Financial performance 5. Attractive employer 6. Fight against discrimination 7. Business ethics and responsible governance 8. Well-being of occupants and users 9. Innovation and adaptation to technological evolution 10. Waste management

ATALIAN MATERIALITY MATRIX



THE SUSTAINABLE DEVELOPMENT GOALS TO WHICH ATALIAN IS CONTRIBUTING

Through its decisions and activities, the Atalian Group is directly or indirectly helping to realise 9 of the 17 sustainable development goals (SDG) defined by the United Nations in 2015.



ENSURING THE OCCUPATIONAL HEALTH AND SAFETY OF OUR EMPLOYEES

A TOP PRIORITY FOR ATALIAN

Employee health and safety have always been a priority for Atalian. Its occupational health and safety policy has enabled it to achieve very high standards, as evidenced by multiple certifications and by the constant improvement of the performance indicators throughout the Group.

During the height of the Covid pandemic, Atalian demonstrated great adaptability and efficiency in ensuring optimal compliance with health and safety guidelines, despite the very difficult operating conditions. In the more favourable health context that we are seeing today, the health and safety of employees remain a priority, and good practices (training modules, documentation, posters, signs, PPE, gel, plexiglass...) continue to be observed in all of our countries.

REDUCING RISKS FROM CHEMICAL PRODUCTS

For its cleaning activities, Atalian favours the safest cleaning solutions for its agents: water-based solutions that are not irritating to the skin, ready-to-use products that avoid the need for employees to handle concentrated products. The wearing of PPE is observed with the utmost rigour.

people@talian

Zuzana Thiele – Czech Republic

My career at Atalian

I joined Atalian in September 2021 as HR Director and was promoted in February 2022 to Company Executive and Compliance Officer. I'm also responsible for the QHSE department and the call centre. My main goals are to improve all of the HR processes, establish an HR partnership model, learning and development plans and increase employee satisfaction.

My societal commitment

On a professional level: I caution non-compliant behaviour within the company. On a personal level, I think that I have to give back to society the knowledge and skills acquired during my career, to invest them in our future. As a coach and mentor, I assist, train and sponsor young HR candidates in a non-profit educational organisation.

LIMITING MUSCULO-SKELETAL DISORDERS

Atalian is very involved in the prevention of MSDs that result from repetitive movements, carrying heavy loads and bad posture... In order to bring more comfort to our teams, we regularly test and deploy new ergonomic solutions: exoskeletons, robots and load-bearing cobots...

In the ultra-cleanliness sector, in the pharmaceutical industry, surface cleaning and in-depth cleaning services, notably tasks related to the decontamination of ceilings and partitions, are physically very demanding: we are testing exoskeletons and motorized telescopic poles.

KEY FIGURES

90% Share of Atalian turnover generated through certified Health and Safety entities*

31 Number of Health and Safety certifications worldwide*

Workplace accidents:

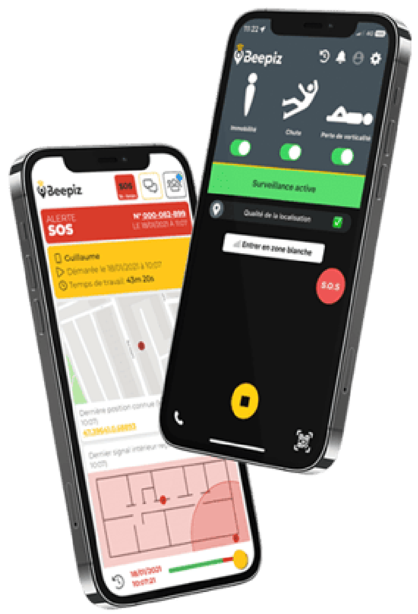
19.1 Group frequency rate

0.62 Group severity rate

**ISO 45001 or equivalent*

ENSURING THE SAFETY OF ITS LONE WORKERS

Our Cleaning and Security agents sometimes operate alone on-site, or out of sight or out of hailing distance. To ensure their safety and generate alerts in case of problems, Atalian has chosen the Beepiz application that turns any smartphone into a lone worker safety device (LWSD). Beepiz can trigger an automatic, manual or «potential incident» alert when a lone worker is in danger. A detailed alert with all of the information needed for a quick intervention (GPS position and precise indoor location, activity and usage reports).



ENGAGEMENT AND GROWTH OF OUR HUMAN CAPITAL

Carol Rambon
Group Human Resources Director

HR CHALLENGES ARE KEY FOR ATALIAN

To a large extent, the Group's activities and development rely on the know-how and commitment of its employees on all levels. Moreover, Atalian operates in a market where employment is under pressure and in trades that are evolving rapidly and require new skills and profiles, sometimes rare: contract manager, FM project manager, Energy manager, etc.

ATTRACTING AND RECRUITING TALENT

To grow its human capital, Atalian relies on 3 main pillars. First of all, recruitment. The Group has significant needs for technicians and local managers (operational assistants and account managers), in particular for the Cleaning and Maintenance & Energy divisions. To facilitate recruitment, the Group is developing the renown and image of its employer brand and business lines, through the use of social networks. It is developing close relationships with schools related to its trades so as to recruit young graduates who will become its future managers. It also relies on work-study contracts. More than 500 work-study positions were offered in 2022!

KEY FIGURES

70,600 employees

265,314 hours of training provided

500 work-study contracts

people@talian

Sandy Franceschi – France

My career at Atalian

I started my professional career in April 2006 as a QSE Coordinator in Alsace Lorraine, then I became QSE Manager for the Eastern region in 2010 after VPNM was acquired by Atalian. I was then appointed QSE Manager for the Eastern North Normandy region in 2015 and then Director of the Fléville-devant-Nancy branch in October 2016.

My societal commitment

Atalian trusted me and enabled me to progress and evolve professionally while letting me organise myself so that I could take care of my son who was hospitalized for many consecutive months over several years. I love working with people and, as Atalian has done with me, I help my employees to excel and grow professionally. It's rewarding to see your employees evolve. This year, three of my team members have moved up to positions of responsibility (team leader, site manager and operations manager).

people@talian

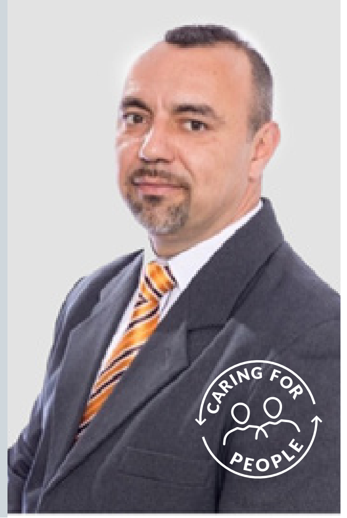
Gyula IFSICS – Hungary

My career at Atalian

I joined Atalian in December 2004 as the manager of a three-person sales team. It seems like yesterday...I learned a lot from my senior colleagues and area managers, which led to my position as Director of the Cleaning Division in 2012. In this position, I have taken on new responsibilities and challenges almost every day, which keeps my motivation intact, 10 years after my appointment.

My societal commitment

The well-being and commitment of our employees and team members are very important to me, because I know that it's thanks to their total involvement that we can provide a high quality service to our customers and partners. So, I try to help and grow our employees, in whom I see talent and potential. And when we develop our people, we develop ourselves...



DEVELOPING SKILLS AND INTERNAL PROMOTION

The second pillar of the Atalian HR strategy is talent development. Atalian invests heavily in training. In addition to mandatory safety training courses, the Group has set up skill-building programmes for branch managers and account managers. These blended learning courses have already been taken by all branch managers and more than 400 account managers. Atalian has also set up training courses, provided by Atalian Academy, to enable people to progress towards new responsibilities within the Group. An initial 12-month course to become a branch manager and a second 9-month course that enables site managers to advance to the position of account manager. Atalian is also continuing to train all of its cleaning staff through its network of in-house trainers.

MANAGING CAREERS AND RETAINING TALENT

The third pillar of the Atalian HR strategy is career management.

Atalian is convinced that developing existing talents within its entities is better than looking for them outside. Atalian therefore makes efforts to get to know its employees, identify talented individuals and develop their potential so as to help them make their way within the Group. Forward-looking management of jobs and skills is one of the Group's HR priorities, and it conducts personnel reviews of all its business lines and thousands of employees in order to:

- have an overall view of the development potentials and engagement levels,
- consolidate the desires for change,
- draw up succession plans,
- define action plans to develop and retain talent.

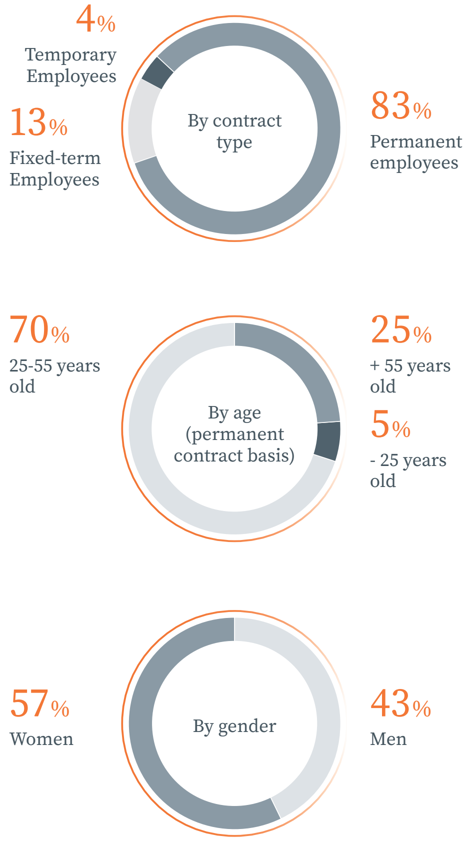
DEVELOPING CREATIVITY

Atalian has chosen to train its employees in technological and managerial innovation, a proactive approach to anticipate responses to the needs of its customers.

In collaboration with DMM Group, a pioneer in soft skills training, Atalian has set up an Innovation Campus consisting of a 100% digital training course and a platform offering webinars, podcasts and interactive videos... As such, employees can experiment with artificial intelligence, IoT or sustainable management techniques... in the service of Facility Management.

CONTRIBUTING TO DIVERSITY AND INCLUSION

DISTRIBUTION OF JOBS WORLDWIDE



Facility management is one of the major manpower activities with such a wide scope of qualifications.

Atalian offers a large number of local jobs that don't necessarily require any particular qualification or proficiency in the local language. We also offer part-time jobs, which can be a side job, act on precariousness or avoid falling into it. In this way, Atalian contributes to inclusion and diversity in the workplace, wherever it operates.

Atalian is committed to combating all forms of discrimination (age, sex, ethnic origin, religious conviction, etc.) at all stages of the management of human resources (hiring, training, professional advancement, promotion), and to increasing the integration of people with disabilities or limited literacy skills, as well as low-income workers and the long-term unemployed. Atalian has been a signatory of the Diversity Charter since 2014.

COMMITTED TO THE LITERACY OF OUR EMPLOYEES

Atalian has been committed to literacy training for many years and trains its agents to develop or reinforce incomplete learning, forgotten knowledge, and acquired skills that are only transferable with difficulty to the professional sphere. In France, thanks to the Fédération des entreprises de propreté and to the *Clés en main* de la Propreté programme, Atalian enables its Cleaning agents to take 150 hours of training in written and spoken French.

people@atalian

Mirjana Lelić – Croatia

My career at Atalian

I joined Atalian Croatia in January 2020 as Infrastructure Director with the goal of optimising processes, building a strong team and improving customer relations. Since then, through various actions on operating expenses, employee training and improved communication with customers, we've been able to create a stable working environment with clearly defined processes tailored to the services provided under our strategic contracts.

My societal commitment

In my work and in my personal life, I'm committed to creating an environment where everyone has equal opportunity. Encouraging diversity and inclusion is one of my main goals. In my conversations with colleagues, I regularly stress the importance of a safe work environment and the importance of clear communication and interpersonal relationships. At Atalian Croatia, we pride ourselves on being a company that doesn't tolerate discrimination.

people@atalian

Jérôme DIBON – France

My career at Atalian

I joined Atalian in January 2012 as a team leader as part of a contractual transfer and then in 2013 I was appointed Account manager. In 2016, I was promoted to Operations manager, and then in 2022 I followed the training path offered by Atalian Academy to become a Branch manager.

My societal commitment

I have several societal commitments that are very important to me. First of all is acting in favour of gender equality. That's why my agency has parity. Secondly, at a time when we're increasingly connected, the right to disconnect is a major issue. Finally, I attach great importance to the professional integration of people in difficulty or with disabilities.

INCLUDING PEOPLE WITH DISABILITIES

Atalian is committed to the inclusion of people with disabilities in all of the countries where it operates. The Group's subsidiaries are implementing various local initiatives to facilitate the inclusion of disabled workers:

- Integration within our teams of people from work-based support institutions and services,
- Recruitment of disabled workers in partnership with associations,
- Partnership with associations for placing disabled people with our customers,
- Actions to maintain the employment of disabled employees (transportation, equipment, training, support when filling out application forms, etc.).

REDUCING THE VOLUME OF FIXED-TERM CONTRACTS

Atalian is also very attentive to the organisation of work and is seeking to optimise the presence and work time of our employees in an effort to combat job insecurity. The Group has set itself the objective of reducing the rate of fixed-term contracts while increasing the number of hours worked by part-time employees.

DISTRIBUTION OF MANAGERS WORLDWIDE

561 women

993 men

CHARTE DE LA DIVERSITÉ SIGNATAIRE

NOUS SOUTENONS LE PACTE MONDIAL

KEY FIGURES

152 nationalities

25% Employment rate of seniors

4.1 Employment rate of workers with disabilities

REDUCING OUR ENVIRONMENTAL IMPACTS AND THOSE OF OUR CUSTOMERS

OUR ENVIRONMENTAL CHALLENGES

- Waste sorting and recycling
- Environmental compliance and climate risk
- Reducing greenhouse gas emissions
- Reduction of water and energy consumption

KEY FIGURES

88.6% Share of Atalian turnover achieved in entities certified ISO 14001 or equivalent

80% Share of countries covered by ISO 14001 or equivalent certification

13 Number of ISO 14001 or equivalent certifications worldwide

As a signatory of the United Nations Global Compact and the Caring for Climate declaration, Atalian is committed to reducing the environmental impact of its activities and its customers' activities. To improve its environmental performance in all of its locations, the Group is changing its operating methods and developing innovative solutions in partnership with its customers and suppliers. Thanks to the worldwide deployment of high environmental standards, the Group contributes to the preservation of non-renewable resources and the fight against global warming.

ENERGY SAVINGS

Atalian is an innovative player in the energy management of workspaces (offices, logistics platforms, industrial sites, shopping centres, etc.). Its offer of solutions with digital technologies enables the collection of occupancy and operating data, the processing of these data and optimisation of the energy management of buildings.

USE OF ECO-FRIENDLY PRODUCTS

For our cleaning activities, we systematically propose eco-responsible products (less water consumption, less aggressive, less harmful to people and the environment, etc.). We propose this even in countries where there is no particular demand. This differentiating approach is now being evaluated worldwide. In 2022, the share of eco-certified products consumed by the Group reached 35%.

REDUCING GREENHOUSE GAS EMISSIONS

Atalian uses a fleet of several thousand vehicles for its activities. To reduce its carbon footprint and its fuel consumption, the Group promotes the use of less polluting vehicles, optimises travel, trains drivers in eco-friendly driving, and systematically offers the use of eco-friendly cars in its offers.

WASTE SORTING AND RECYCLING

The waste produced by our activities on customer sites is processed either directly in the structure set up on-site, or through outsourcing with our partners with which we have signed framework agreements. We also work with collection organisations for specific waste treatment. The increasingly restrictive regulations favour the generalisation of standardised sorting concepts to accelerate their deployment.

A SECOND LIFE FOR OUR CLEANING MATERIALS

Atalian has launched a cleaning equipment reconditioning test in one of its subsidiaries, in partnership with Ennea Groupe, a specialist in the reuse and reconditioning of professional equipment. This test concerns a hundred or so items of motorized and non-motorized equipment: scrubbers, sweepers, injector-extractors, vacuum cleaners, carts, etc.

The project aims to verify the feasibility of reusing our used professional equipment and contributing to our sustainable development initiative:

- Reduction of the amount of waste produced and of our carbon footprint,
- transition to a more circular economy,
- creation of local jobs for technicians,
- encouraging our suppliers to adopt a virtuous approach (supply of spare parts) and assessing the reparability rate of their equipment.

people@talian

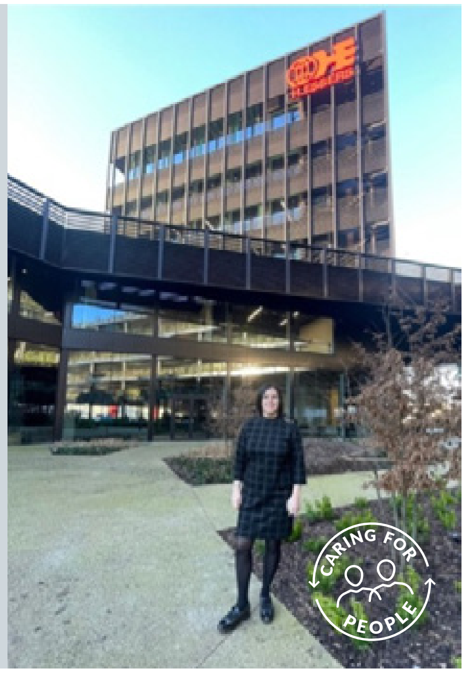
Kelly BRUNO – Belgium

My career at Atalian

I joined the group as a cleaner in 2010. A year later, I became what we call a «floater» as part of a mobile team. In 2015, Atalian offered me the opportunity to train to become a supervisor. I grabbed this opportunity with both hands! Since then, I've been developing my skills as a District Manager. My responsibilities have grown with the customers for whom I'm responsible, and certainly with the growth that we're achieving as a team with our client H. Essers. I continue to enjoy my work every day.

My societal commitment

When my goddaughter was born deaf, my sister started looking for an association that organised vacations for hearing-impaired children. We realised that there wasn't one in our region. So my sister took the initiative to create one herself: Wondergebaar. Since then, these hearing-impaired children have been able to go to summer camp accompanied by people who all know sign language. To raise the necessary funds, I participate every year in the Dodentocht, a very famous 100 km walk in the region, between Antwerp and Brussels.



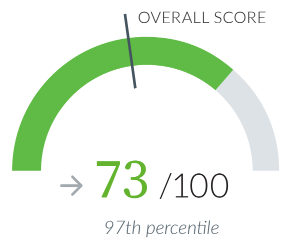
OUR SOCIETAL PERFORMANCE

The Atalian Group's social responsibility is commensurate with its position within its business sector. The Group employs more than 70,000 people worldwide and is involved in businesses with considerable economic, social, environmental and societal challenges.

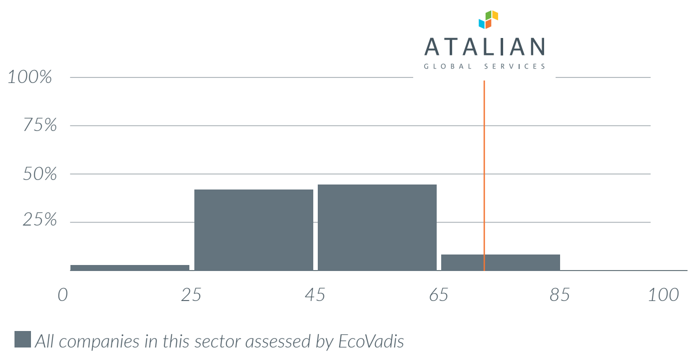
To measure its impacts and progress, the Atalian Group set up a global reporting system that includes nearly 70% of the GRI G4 indicators. The Group obtained the same score as in 2021 (73/100) and received the EcoVadis Gold medal, which reflects its commitment to sustainable development.

ECOVADIS OVERALL SCORE

In its business sector, the Atalian group is in the top 2% of companies best rated by EcoVadis.



DISTRIBUTION OF ECOVADIS OVERALL SCORES FOR FM COMPANIES



DETAILS OF OUR SCORE ON THE VARIOUS CRITERIA

ENVIRONMENT — Top 3%

SOCIAL & HUMAN RIGHTS — Top 2%

SUSTAINABLE PURCHASING — Top 8%

ETHICS — Top 22%

CSR Performance · *Insufficient* · *Partial* · *Moderate* · *Advanced* · *Excellent* · *Average score*

EcoVadis CSR assessment methodology

The EcoVadis CSR assessment methodology is based on international CSR standards (Global Reporting Initiative, United Nations Global Compact, ISO 26000). It is led by a scientific committee made up of CSR and supply chain experts, to ensure independent and reliable CSR assessments.

Atalian currently employs more than 70,600 people worldwide. The health, safety and quality of life at work of its employees are an essential issue and a central element of its approach to societal responsibility. The Group also strives to contribute to the fight against global warming and the preservation of biodiversity, notably by limiting its greenhouse gas emissions.

SOCIALLY RESPONSIBLE MANAGEMENT

The group strives to be an attractive employer that ensures the development of the skills of all of its employees and guarantees equal opportunities by combating all forms of discrimination and promoting diversity and inclusion.

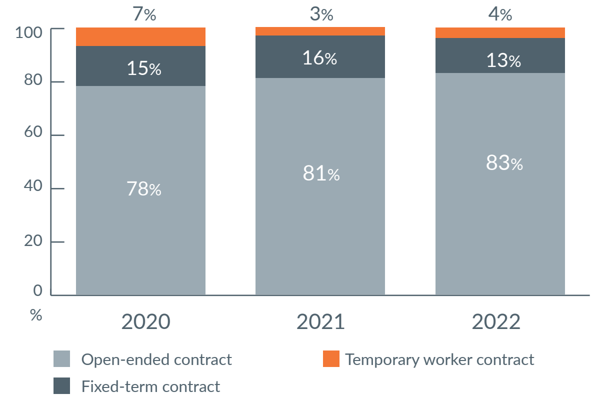
ACTION ON EMPLOYMENT (GRI 201 & 401; SDG #8; GC #1)

Contractual commitment

Atalian strives to reduce precarious employment and in particular part-time employment. The Group is organised in such a way as to increase the working hours of employees on precarious contracts and to favour stable jobs of optimal duration.

In recent years, and notably in France since October 2022, Atalian has been committed to a policy of reducing the volume of fixed-term contracts by identifying the positions that can be considered permanent and converting fixed-term contracts to open-ended contracts. Over the last 3 years, the share of employees in the Group benefiting from an open-ended contract has increased from 78% to 83%.

BREAKDOWN OF THE PERSONNEL BY CONTRACT TYPE



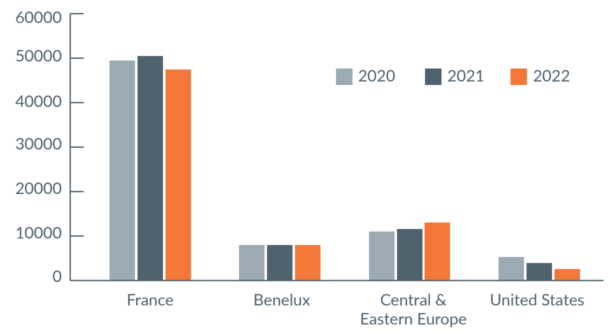
Evolution of the personnel

The Group's total workforce (open-ended, fixed term and interim contracts) stood at 70,564 employees at the end of 2022. It is almost stable compared to 2021 (-3%).

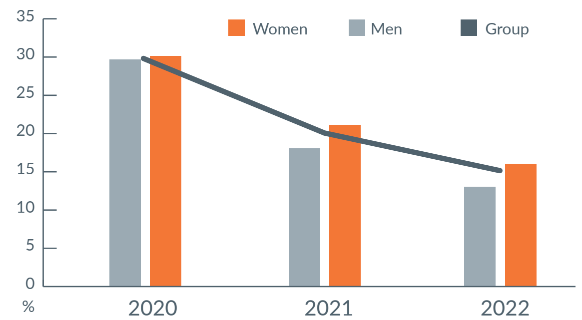
The permanent workforce (open-ended contracts) increased by 1% compared to 2021 and by 2% compared to 2020, and now represents 61,381 employees.

- **Breakdown by region:** The analysis by region shows divergent developments. France and the USA recorded a decline of their overall workforce in 2022 while the Benelux and Central & Eastern Europe saw their workforce grow over the last 3 years.
  The trend is different for personnel members with open-ended contracts: only the United States have seen a decline since 2020.
- **Renewal of the personnel:** In a sector characterized by traditionally high workforce renewal, the Group has seen a downward trend of its renewal rate in recent years, which reflects the beneficial effects of the measures taken to be an attractive employer able to retain its employees.

BREAKDOWN OF THE PERSONNEL BY REGION

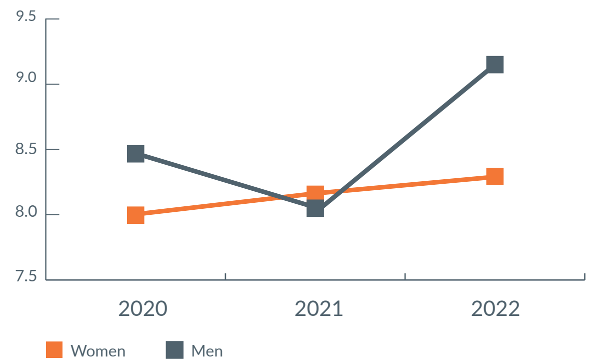


PERSONNEL RENEWAL RATE



- **Retention of talented people:** Thanks to the decline of the renewal rate, the average seniority of managers is increasing. It is 8.6 years in 2022 while it was just over 8 years in 2020 and 2021.
- **Promotion of employees:** As in 2021, approximately 6% of the Group's employees were promoted to a position that represents an advancement in their professional career. These promotions concerned 5% of the Group's female personnel and 7% of its male personnel. They include 6% of employees who provide services to customers and 6% of those who have support functions.

AVERAGE SENIORITY OF MANAGERS



Personnel benefits

- **Social conventions:** As a result of the evolution of the Group's perimeter, the percentage of employees covered by a collective agreement has increased. Today, 78% of the Group's employees benefit from a social convention.
- **Parental leave:** The number of employees who took parental leave in 2022 was 1787 (1134 women and 653 men). Parental leave involved 3% of the Group's personnel and represented 151,929 days of leave, i.e. an average of 85 days per beneficiary.

ACTION IN SUPPORT OF DIVERSITY AND INCLUSION (GRI 405; SDG #5 & 10; GC #1 & 6)

Atalian is closely monitoring the composition of its personnel in order to ensure the impact of its policy in support of diversity, gender equality and inclusion.

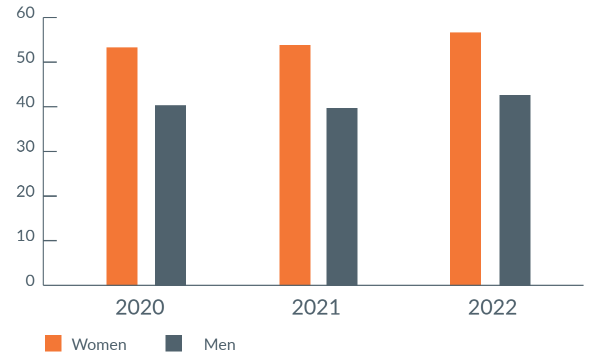
Evolution of the Group's personnel by gender and age groups

The gender breakdown of the Group's workforce is stable from one year to the next. Over the past 3 years, 57% of the workforce has been female and 43% male.

An analysis of the workforce by region shows that gender disparity is particularly pronounced in France and the Benelux countries, where women represent 59% and 69% of the workforce respectively, while there is almost gender parity in Central and Eastern Europe and the United States.

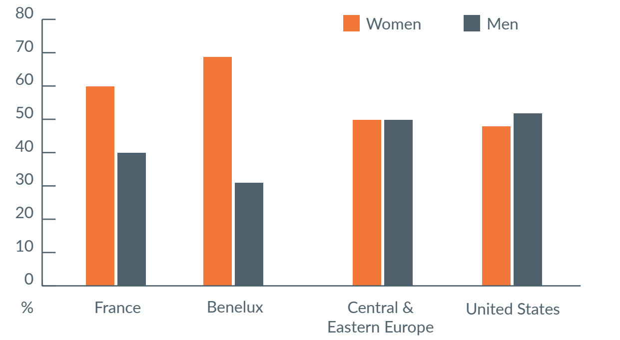
Atalian has set targets for Manager positions to achieve gender balance in line with its policy and commitment to diversity.

EVOLUTION OF THE GROUP'S PERSONNEL BY GENDER

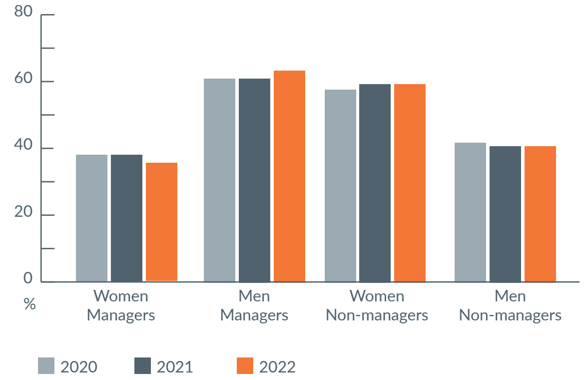


Atalian also maintains a consistent and constant distribution over time between the various age categories of its workforce. In the last 3 years, its workforce has included approximately 75% employees under 55 years of age and 25% seniors.

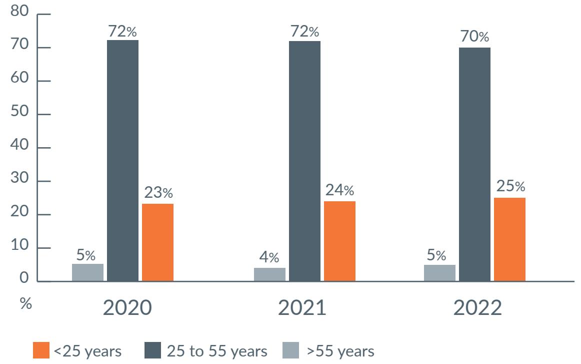
BREAKDOWN OF PERSONNEL OF THE REGIONS BY GENDER



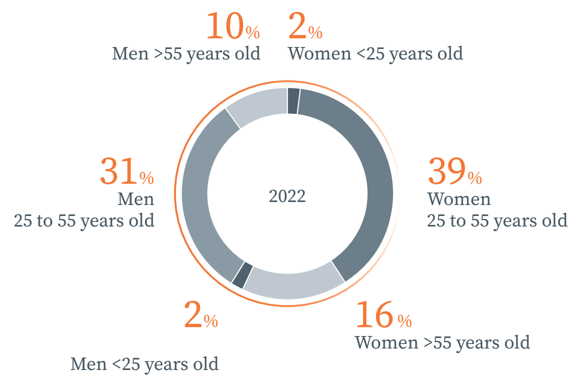
EVOLUTION OF OCCUPATIONAL CATEGORIES BY GENDER



EVOLUTION OF THE GROUP'S AGE PYRAMID



BREAKDOWN OF THE PERSONNEL BY GENDER AND AGE GROUPS



At Atalian, disability is not a barrier to hiring. Atalian adapts so as to welcome people with disabilities who wish to contribute their skills to the Group and supports them throughout their career within the company. In 2022, Atalian had more than 2,500 people with disabilities (nearly 1,500 women and more than 1,000 men), representing 4.1% of the workforce benefiting from an open-ended contract. This percentage has been stable in recent years (4.8% in 2021 and 3.8% in 2020).

ACTION IN SUPPORT OF SKILLS DEVELOPMENT (GRI 404; SDG #4)

Atalian implements training and skills upgrading programmes for its employees. The number of training hours provided in 2022 is equal to 265,314 hours, a figure almost identical (-4%) to that of 2021 and an increase of 24% compared to 2020.

Nearly half of these training hours (119,782 hours) are dedicated to training on good practices to be implemented so as to ensure safety and protect the health of employees. The number of hours of safety training increased by 13% compared to 2021.

ACTION ON EMPLOYEE HEALTH AND SAFETY (GRI 403; SDG #3 &8; GC #1)

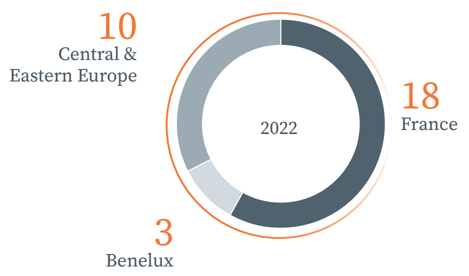
Atalian promotes and guarantees occupational health and safety. The Group is committed to preventing physical and psychological occupational hazards. For the 2022 fiscal year, the accident frequency rate* was 19.1 and the accident severity rate** was 0.62.

* *Ratio between the total number of workplace accidents resulting in death or total incapacity for at least one day (excluding the day of the accident) and the number of hours of risk exposure, multiplied by 1,000,000 (to obtain actionable figures). The number of hours of risk exposure is calculated using the number of working days on an annual basis. This number of working days, converted into full-time equivalents (FTEs), is multiplied by 7.6 (hours worked per day) and 229 (days worked per year).*

** *Ratio between the number of calendar days actually lost as a result of workplace accidents (in the workplace) and the number of hours of risk exposure, multiplied by 1,000.*

In all regions where it operates, the Atalian Group pursues ISO 45001 or equivalent certification.

NUMBER OF ISO 45001 CERTIFICATIONS BY REGION



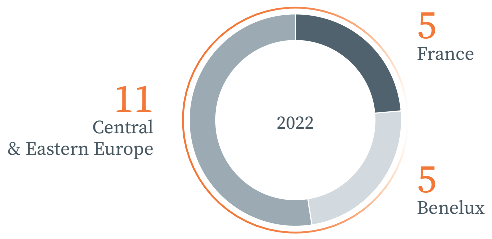
RESPONSIBLE MANAGEMENT OF ENVIRONMENTAL IMPACTS

To strengthen its initiative in favour of sustainable development, in 2022 Atalian established a CSR roadmap – Impact 2030 – which adds environmental performance indicators to the social performance and governance indicators already in place, notably in terms of reducing greenhouse gas emissions, as well as **reducing waste and energy consumption** resulting from its activities.

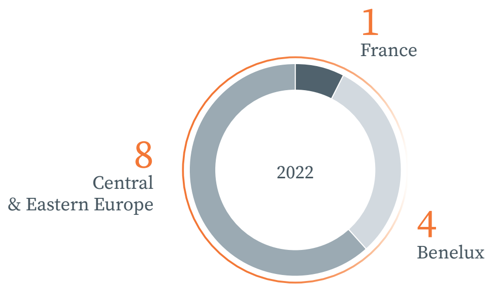
ACTION IN SUPPORT OF QUALITY AND THE ENVIRONMENT

In 2022, Atalian retained all of its previous ISO 9001 and ISO 14001 certifications, thereby demonstrating its willingness and ability to be part of a continuous improvement process in terms of quality management and environmental management.

NUMBER OF ISO 9001 CERTIFICATIONS BY REGION



NUMBER OF ISO 14001 CERTIFICATIONS BY REGION



4 FINANCIAL PERFORMANCE

PRESENTATION OF THE GROUP'S FINANCIAL PERFORMANCE IN 2022

Bruno Bayet
Group CFO

PANORAMA

For Atalian, 2022 was a year marked by important events. The Group has refocused its activities by selling its subsidiaries in the United Kingdom, Ireland and Asia (including Aktrion) in February 2023 under the terms of the deed of sale of 16 December 2022, and those in Africa, with the exception of the subsidiaries in India, Mauritius and Lebanon. This transaction was carried out at a valuation level that ensured a significant reduction of the Group's debt. This now makes it possible to concentrate on the European continent and strengthen measures to improve its performance.

Indeed, the global economic crisis subsequent to the conflict in Ukraine significantly slowed down the Group's economic and financial rebound, which began during the 2021 fiscal year. The resulting higher energy costs and inflation had an impact on our cost structure (increase of product costs and wages) partially offset by an adjustment in the billing of our services.

The presentation of the 2022 financial performance data and the comparison with the 2021 data is made in the context of the Group's new configuration, in accordance with IFRS 5 regulation.

TURNOVER

The consolidated turnover is €2,065.1 M for the 2022 fiscal year, up 1.6% (+€33 M) compared to 2021.

This variation results from:

- organic growth of €58.8 million (+2.9%),
- a change to the scope of consolidation of -€10.3 million (deconsolidation of Harta in Malaysia in April 2021, Northcom in the Philippines in December 2021 and Atalian Global Services Vietnam as of 30 June 2022),
- a negative exchange rate effect of -€15.6 million (mainly due to the depreciation of the Turkish lira against the euro, partially offset by an appreciation of the US dollar against the euro).

In 2022, the evolution of the turnover compared to 2021 is contrasted according to the various geographical areas in which the Group operates.

In France, in a tense economic context, the turnover of €1,390.3 million remained stable (+1%) compared to that of 2021, which was €1,378.3 million and still included the contribution of the special works generated by Covid 19.

The turnover realised in France notably benefited from the sustained development of the Facility Management activity, which meets the needs of major international groups. The turnover of this activity increased by nearly +80%, rising from €52 million in 2021 to €94 million in 2022.

The Benelux zone recorded organic growth of +12.6% reflecting the good commercial performance of the zone's 3 countries, with a noteworthy 21% turnover increase in the Netherlands.

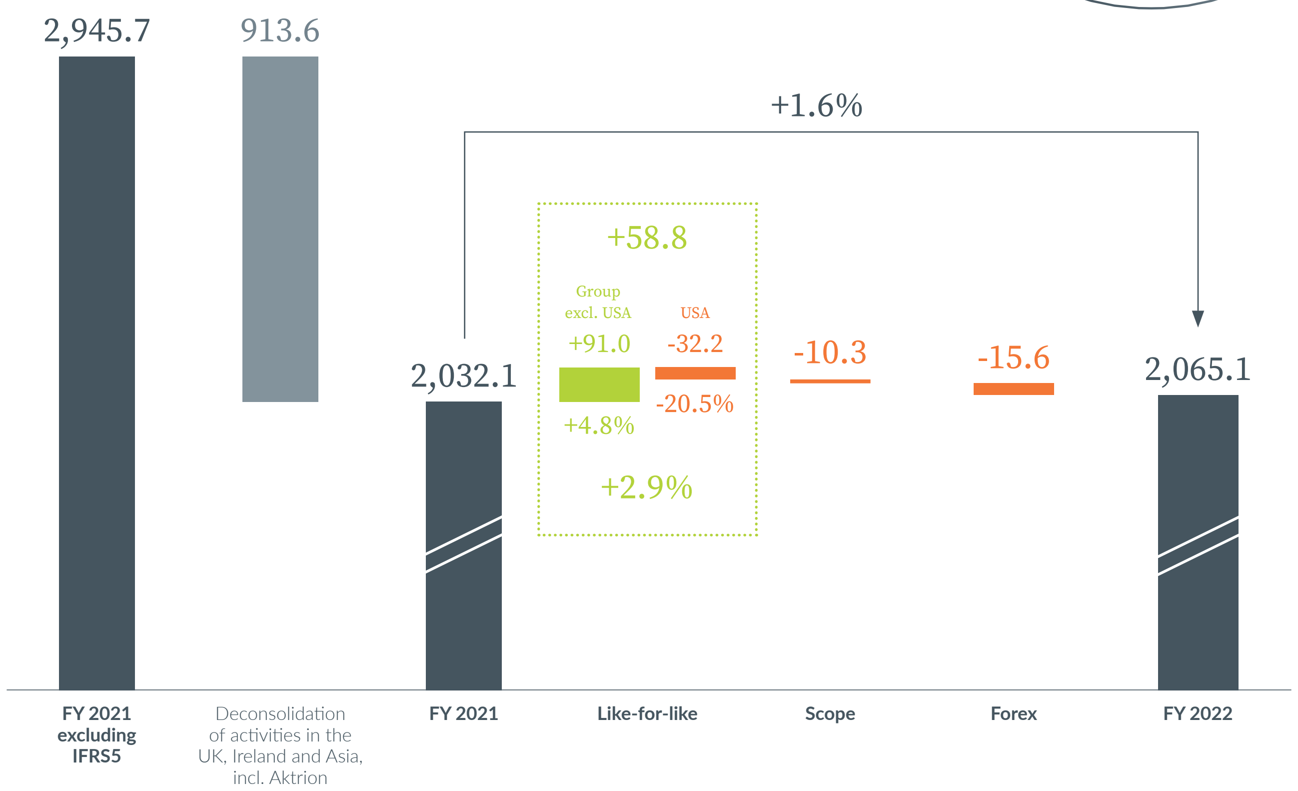
In Central and Eastern Europe, the turnover increased by 4.6% compared to 2021, resulting from:

- firstly, a share of organic growth of +21.5%, part of which stems from significant inflation in some countries of the zone (Turkey)
- and secondly, a negative exchange rate effect of -12.4% (strong downward variation of the exchange rate of the Turkish lira against the euro).

In the United States, faced with a sluggish market that is struggling to recover, the turnover drops by 10% (-€15.8 million) compared to 2021. This corresponds to a €32.2 million decrease in invoiced sales, partially offset by a positive forex effect of €16.4 million due to the appreciation of the US dollar against the euro.

EVOLUTION OF THE GROUP TURNOVER

In millions of euros



EBITDA

The consolidated operating income (EBITDA) amounted to €94.7 million, down €56.3 million (-37.3%) compared to the 2021 fiscal year, with a margin on EBITDA of 4.6% in 2022 versus 7.4% in 2021.

The 2022 operating income reflects the effects of the current economic situation on our direct operating costs.

Despite the strict cost control discipline implemented in recent years, direct operational costs (purchase of products and consumables, external expenses and salaries) indeed increased overall by €70 million, or +3.7% compared to 2021 and represented 94% of turnover in 2022, compared to 92% in 2021.

CASH FLOW

The Operational cash flow (CFFO) generated in 2022 amounted to -€9.4 million, a decrease of €77.6 million compared to 2021. This decrease is logically in line with the decrease of the operating income, with the other components of the operating cash flow being subject to vigilant management.

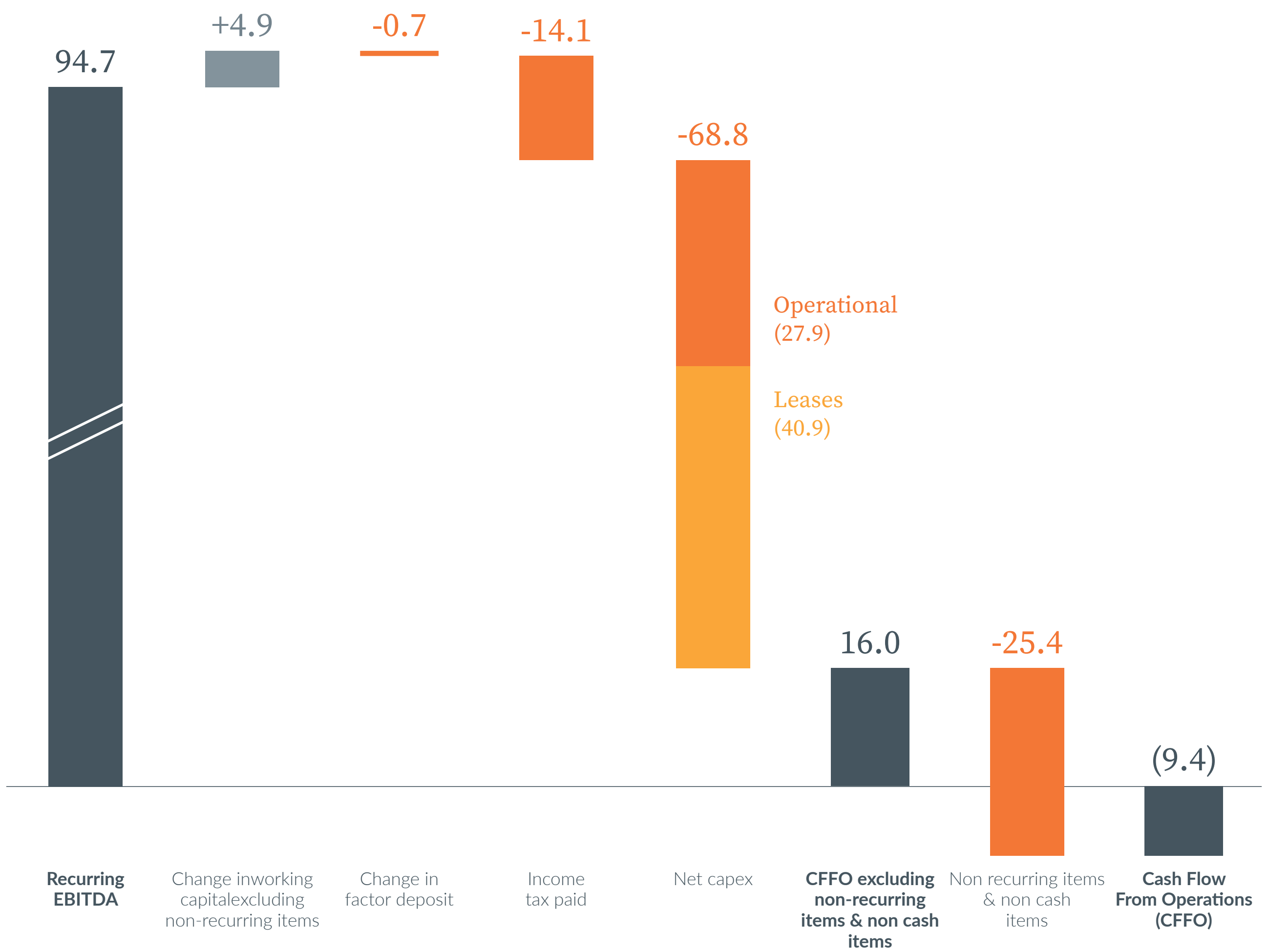
Indeed, the Group continued its efforts on the working capital requirement through the proactive management on the recovery of receivables in order to reduce the average recovery time (DSO) and through non-recourse factoring by mobilizing part of the customer portfolio. In 2022, the WCR remains stable, recording a variation of +€4.9 million compared to 2021.

In addition, capital expenditures were subject to strict supervision, notably by optimising the management of the use of the stock (pooling and availability of equipment; renovation and recycling). This made it possible to maintain capital expenditures (including leasing) which amounted in 2022 to €68.8 million at their 2021 level (€63.4 million).

The CFFO was mainly impacted by non-recurring expenses of nearly €30m for the CD&R transaction and other litigation costs of which the CJIP.

OPERATIONAL CASH FLOW 2022

In millions of euros



DEBT

The net financial debt appearing in the financial statements at 31 December 2022 is €1,343.9 million, an increase of €113.8 million over 2022.

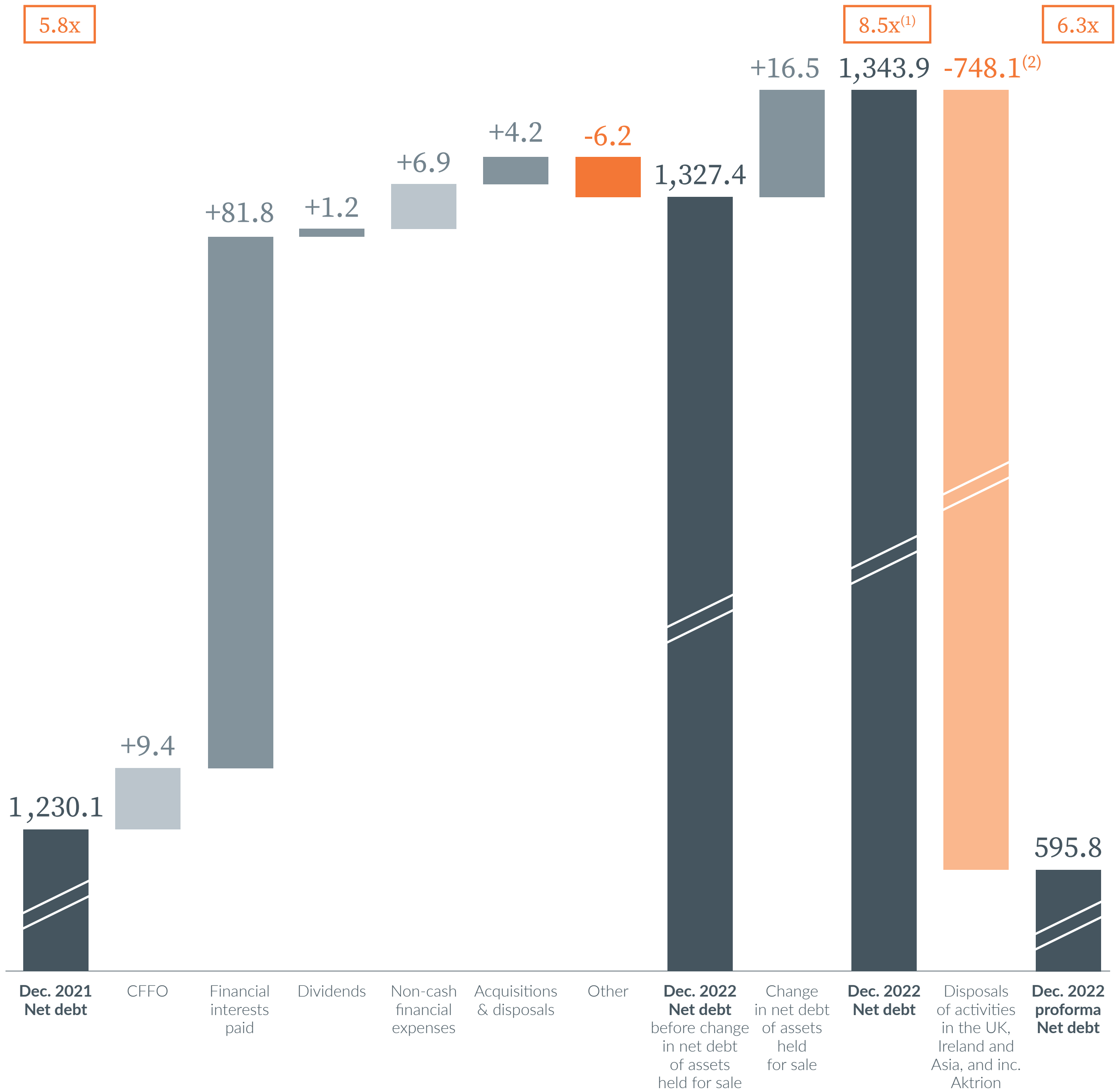
However, the net debt adjusted for asset disposals as of 28 February 2023, recorded but not finalized as of 31 December 2022, amounted to €595.8 million and corresponds to a debt ratio of 6.3.

This variation results from:

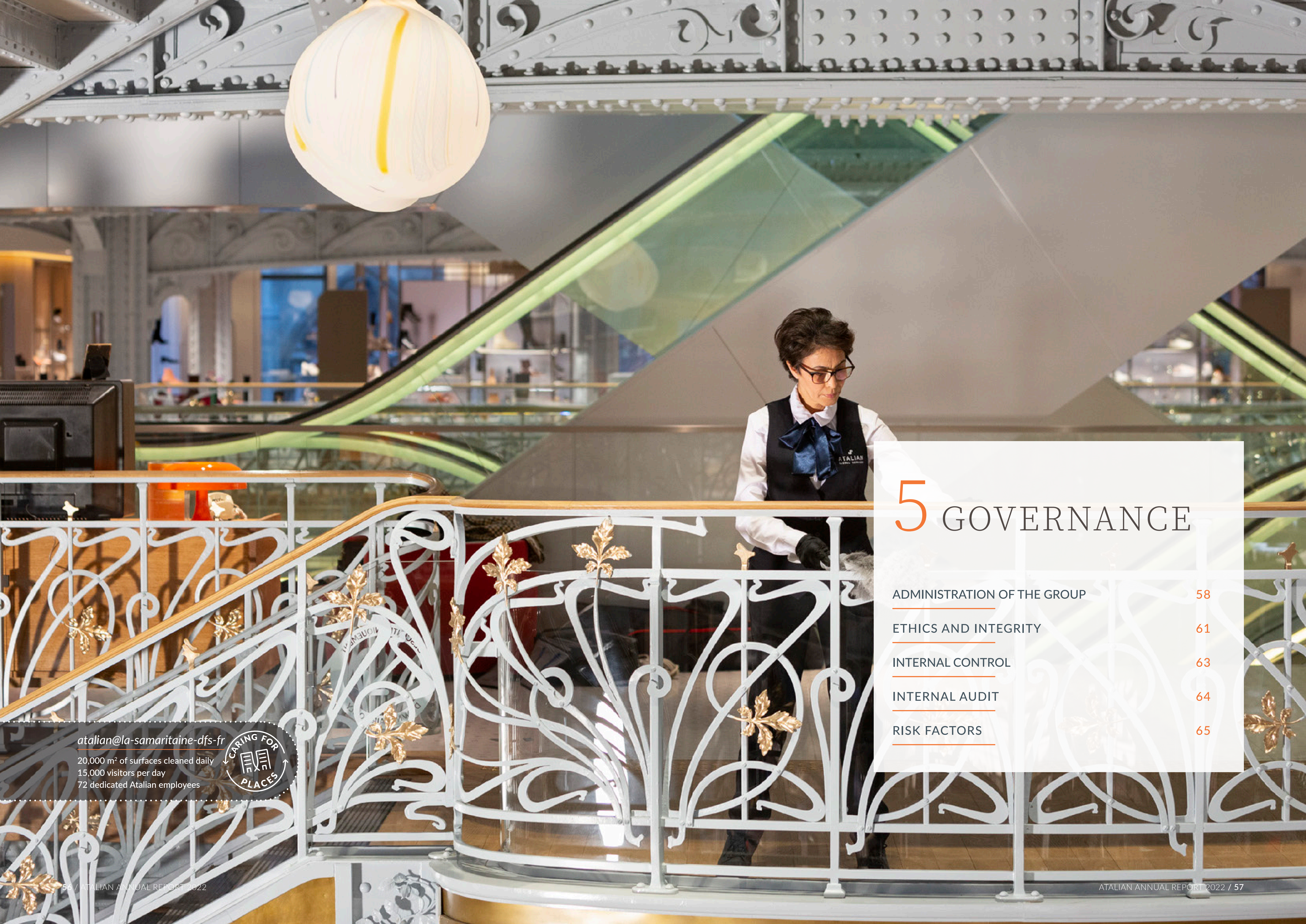
- the low cash generation due to the impact of lower operating income and non-recurring expenses,
- interest paid mainly on the bond debt,
- dividends paid to shareholders,
- reclassification as WCR of the AHDS current account for €9 million (included in «Other»).

EVOLUTION OF THE DEBT

In millions of euros



(1) Based on Recurring EBITDA of €158.8m pre-IFRS5 for the full year of 2022
(2) €748.1m debt reduction resulting from the disposal of activities in the UK, Ireland, Asia and Aktrion



atalian@la-samaritaine-dfs-fr

20,000 m² of surfaces cleaned daily
15,000 visitors per day
72 dedicated Atalian employees

CARING FOR PLACES

5 GOVERNANCE

ADMINISTRATION OF THE GROUP

The Board Members of Atalian Holding Development and Strategy as well as the Group's majority shareholder see to its effective governance and are the guarantors of the correct operation of the management bodies, in order to bring about an increase of the Group's value while adhering to principles of ethics and transparency.

OUR BOARD MEMBERS

The Board Members of Atalian Holding Development and Strategy were chosen for their skills and experience in the fields of the strategy and transformation of organisations, international development, financial markets, audit, internal control and compliance, as well as CSR.

The Board Members met 4 times in 2022 with a 100% participation rate, under the chairmanship of Franck Julien.

During the fiscal year ended December 31, 2022, the Board Members approved:

- the closing of the quarterly and annual financial statements;
- the examination of the budget;
- the business review of the functional departments and subsidiaries;
- the review and approval of the work of the Committees;
- the evaluation of Committee operation.

THE COMMITTEES

For the performance of its duties, the Board is supported by two specialised committees – **the Investment and Strategy Committee and the Audit and Compliance Committee** – that meet before the meetings of the Board. All Committee members are drawn from the Board.

INVESTMENT & STRATEGY COMMITTEE

The Investment and Strategy Committee helps the Board Members to chart a course with regard to the orientations of the Group's activity in terms of strategy and investments. It examines the investment programmes and their financing, as well as proposed divestments with particular significance for the scope of the Group, before these plans are presented to the Board Members.

Members of the Investment & Strategy Committee

- Henri Henri Proglio – Independent Board Member – Chair of the Committee
- Franck Julien – Board Member
- Laurent Levaux – Independent Board Member

AUDIT & COMPLIANCE COMMITTEE

The Audit and Compliance Committee, which met 4 times in 2022, assists the Board Members with the examination and approval of the annual financial statements, and gives its opinion on any transaction, act or event that could have a significant impact on the Group, in terms of commitments or risk exposure. The Committee assesses the quality of the financial statements. If necessary, it challenges the Group CFO on how the statements were established, it selects the statutory auditors, and discusses their vision of the statements with them. Finally, it ensures that the Group has an effective internal control system, and that it properly applies all compliance-related laws and regulations.

Members of the Audit & Compliance Committee

- Laurent Levaux – Independent Board Member – Chair of the Committee
- Henri Proglio – Independent Board Member

FRANCK JULIEN

Chairman & Group CEO
Board Member
Member of the Investment & Strategy Committee

Franck Julien joined a family business, then called TFN, in 1992. He became CEO in 1995, and Chairman in 2000. He then undertook to continuously diversify and internationalise the Group, renamed Atalian Global Services in 2009. By 2018, he had positioned the Group among the top 5 Facility Management firms in the world.

SOPHIE PÉCRIAUX JULIEN

Board Member

Sophie Pécriaux Julien is the founder and CEO of the City One Group, an independent Group that is a key player in the field of hospitality and services for business and promotional events at airports, railroad stations, and concession areas. She is also Honorary President of the SNPA (French national association of hospitality and promotional event service providers) and President of the *Fonds de Dotation de la Communauté Aéroportuaire*.

JEAN-PIERRE JULIEN

Board Member

From 1962 to 2000, Jean-Pierre Julien was the CEO of TFN, the family business created by his father as a specialist in industrial cleaning. He turned the business into a leader on the French market. In 2000, he was succeeded by his son, Franck Julien.

HENRI PROGLIO

Independent Board Member
Chair of the Investment & Strategy Committee
Member of the Audit & Compliance Committee

Henri Proglio has directed several large groups, including CGEA, Veolia Environnement, EDF, and Edison. He has been Board Member of Dassault Aviation since 2008, Natixis since 2009, Fomento de Construccionnes y Contratas since 2015, ABR Management CJSC since 2013, and Akkuyu since 2015. Henri Proglio is Honorary President of EDF.

LAURENT LEVAUX

Independent Board Member
Chair of the Audit & Compliance Committee
Member of the Investment & Strategy Committee

Laurent Levaux is a corporate senior executive. He is currently CEO of Aviapartner NV, Chairman of the Board of the companies Investsud, Nethys and Sogepa, and Member of the Board of Directors of the companies Proximus, FN Herstal, Hamon, Interparking, Circuit de Francorchamps and Ardent Group.

GEORGES FENECH

Independent Board Member

Georges Fenech is a former examining judge, and was Member of the French Parliament for Rhône from 2002 to 2008 then from 2012 to 2017. He chaired the French Inter-ministry commission on dangerous cults (MIVILUDES) from 2008 to 2012, was a member of the Laws Commission, and chaired the Parliamentary commission investigating the 2015 terrorist attacks in Paris. Georges Fenech is presently a consultant for the CNews television channel on questions relating to terrorism and security. He is also a a lecturer at the Université Panthéon-Assas.

THE EXECUTIVE COMMITTEE

Our Executive Committee looks after the Group's general management. It has 6 members: the Chairman & Group CEO, the CEOs of the Group's regional operational areas, the Group Corporate Secretary and the Group CFO. Under the responsibility of the Chairman & Group CEO, the Executive Committee contributes to strategy, and plays an essential role in the coordination between the head office and the subsidiaries, but also between the subsidiaries. It steers the Group's business, approves its main policies, and ensures that these polices are implemented. More specifically, it sets financial and operational objectives, conducts regular brand and market reviews, assesses performance, and proposes any necessary adjustments.

FRANCK JULIEN

Chairman & Group CEO

Franck Julien joined the family business, then called TFN, in 1992. He became CEO in 1995, then Chairman in 2000. He then undertook to continuously diversify and internationalize the Group, renamed Atalian Global Services in 2009, thereby taking it, in 2018, into the ranks of the top 5 Facility Management firms in the world.

RUTHY ZAGHDOUN

Group Corporate Secretary

Ruthy Zaghdoun has more than 20 years of national and international taxation experience. After 13 years with the French Public Finance authority. She joined the Deloitte-Taj law firm as a Tax lawyer. In January 2018, she became the Atalian Group's Head of Tax and Compliance. In July 2019, she was appointed Group Corporate Secretary, in charge of the Legal, Tax, Internal Audit, Compliance and Communication departments.

BRUNO BAYET

Group CFO

Bruno Bayet has nearly 25 years of experience in Finance, Management control, M&A, and investments. He has successively been: Corporate Finance manager at PricewaterhouseCoopers (2000-2005); Investment Analyst and Treasurer of the Bruxelles Lambert Group (2005-2011); CFO, General Malta Forrest (2011-2013); and CFO, Lafarge Africa (2014-2019). He joined Atalian as Group Controller in July 2019, was appointed Deputy Group CFO in August 2021, and then Group CFO in January 2022.

TAREK SEHNAOUI

CEO France & Benelux

Tarek Sehnaoui has over 20 years of experience in Operations and Business Development in EMEA and North America, with LafargeHolcim. He joined Atalian in september 2019 and was appointed CEO France-Benelux in 2020.

NORBERT MOUSSART

CEO Central & Eastern Europe

Norbert Moussart has extensive experience in France and abroad in general management in the competitive sectors of construction and distribution services, industry and Facility Management, with a strong track record in mergers and acquisitions, sales, operational excellence, purchasing, turnaround and transformation. He joined Atalian in November 2017.

PETER WALSH

CEO USA

Graduated as a chartered accountant from the University of Cape Town in South Africa. Peter Walsh was the CFO of the Servest group from 2011 to 2018. In December 2020, he joined Atalian United Kingdom in order to manage a project before joining Atalian United States in July 2021 and being appointed CEO United States in October 2021.

ETHICS AND INTEGRITY

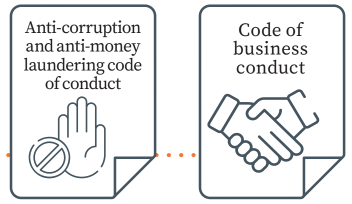
Our unfailing compliance with national and international laws and regulations as well as the Group's compliance commitments guide our decisions and actions in all areas.

Ruthy Zaghdoun
Group Corporate Secretary (Global Head of Tax, Legal, Compliance, Internal Audit and Communication)

The fundamental values of ethics and integrity are firmly rooted in our daily business relationships with our partners. They are the very essence of our professional practices within the Atalian Group.

Since 2018, the Atalian Group has been built and strengthened around a compliance programme to meet the requirements of the legislative and regulatory framework of the territories in which it operates.

This programme is based on codes, procedures, controls and initiatives covering all compliance issues and responding to the eight pillars of the Sapin II law. The codes are translated into 13 languages and widely distributed within the subsidiaries to all employees.



The Anti-corruption and anti-money laundering code of conduct and the Code of business conduct set out the conduct rules of our governing bodies and the zero tolerance advocated with regard to practices contrary to ethics and compliance (corruption, money laundering, etc.).

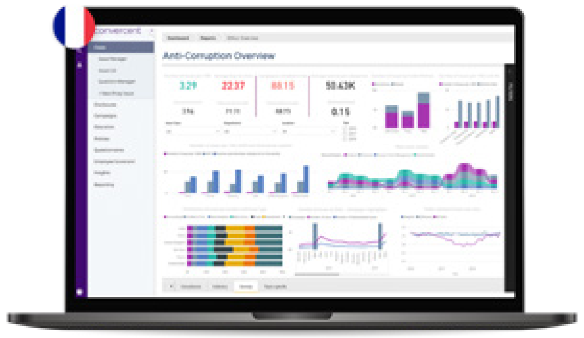
The risk mapping, developed with the participation of many Group stakeholders, lists the risks of corruption and influence peddling region by region within the Group.

The internal whistleblowing procedure guides employees who wish to report an unethical situation or behaviour without fear of repercussions. It highlights the Group's desire to prevent any situation that could potentially become problematic.

The Group also benefits from a global network of Compliance Officers that helps to ensure a culture of transparency wherever it operates.

The Atalian Group, which is currently being monitored by the French Anti-Corruption Agency, will have its compliance programme strengthened in all possibly identified areas of improvement. At the end of the two years of monitoring, the Atalian Group's compliance programme will therefore meet the highest standards in terms of compliance.

At the start of 2023, this reinforcement already led to the purchase of the One Trust solution, a platform dedicated to Compliance, which will ensure precise monitoring of the deployment and effectiveness of our programme within the Group, and also open our alert line to our third parties.



One Trust solution

The procedures relating to Gifts & Invitations, Donations and Sponsorship, and Conflicts of interest guide our employees in their day-to-day operations.

The detailed Review procedure for third parties makes it possible to perform the control and monitoring of the partners with which the Group is working.

First, second and third level accounting controls are used to detect potential abusive situations.

Training. The Compliance Department is committed to training the Group's employees so that the compliance programme is assimilated and applied in practical terms by its main stakeholders. All documents related to compliance and e-learning training have been translated into 13 languages so that they are accessible to all relevant employees.

INTERNAL CONTROL

Stéphane Guilluy
Group Head of Internal Control

Internal Control is a process implemented by the Board of Directors, General Management, supervisory personnel and employees of the Atalian Group. This process is intended to provide reasonable assurance regarding the achievement of objectives related to the performance of business processes, the reliability of financial reporting, compliance with laws and regulations, and the protection of assets.

The set-up of an effective Internal Control system remains a priority for the Atalian Group. In 2022, we further implemented our continuous improvement approach by strengthening our control system and ensuring its application.

The Group Internal Control Department was created in 2019. Reporting to the Group Finance Department, it is made up of a central team, whose staff was reinforced at the beginning of 2023 to accelerate the deployment of our Internal Control guidelines.

The deployment of Internal Control also relies on a network of Local correspondents, usually reporting to the Finance Directors of the various countries in which we operate. These correspondents are responsible for ensuring the correct application of the rules and procedures within their respective organisations, in collaboration with local and regional management teams.

GROUP INTERNAL CONTROL

- Define the Group strategy on Internal Control.
- Report to the Audit Committee and to the management.
- Formalize, update and share the Internal Control guidelines.
- Provide ongoing support to the regional and local correspondents.

INTERNAL CONTROL REGIONAL CORRESPONDENT

- On the regional or local level, ensure the correct roll-out of the Internal Control system.
- Monitor the implementation of action plans.
- Ensure the assessment of the Internal Control with the Regional CEO and the Regional CFO.

PROCESS OWNER

- Define and implement the action plans.
- Ensure that control activities are integrated into day-to-day operational tasks.

EMPLOYEES

- Learn about control activities and integrate them into day-to-day operational tasks.

This decentralised organisation enables us to take into account local specificities while ensuring the coherence and overall effectiveness of our Internal Control system.

In 2022, the Internal Control Department carried out actions to strengthen the control environment. These include the implementation of a Code of Conduct signed by our main suppliers, or raising awareness of the rules on the separation of duties. It also worked to ensure the efficiency of financial and operational processes, supporting teams in the implementation of the action plans identified during the annual campaign and organising training webinars for local and regional teams.

In the context of the Group's new perimeter, now narrowed to Europe and the United States, the objective for 2023 will be to contribute to improving the efficiency, performance and safety of processes, while continuing to deploy the internal control system. As such, the implementation of a digital internal control platform of one of the market leaders, at the end of 2022, will also optimise the management of internal control campaigns.

INTERNAL AUDIT

Jérémy Dieusaert
Group Head of Internal Audit

KEY FIGURES*

Number of completed audit missions

2020: 4 missions

2021: 4 missions

2022: 5 missions

2023: 1 mission

The Group Internal Audit department carried out the audits in accordance with the 2022 annual audit plan and also updated the Group's risk mapping. Each year, the Secretary General presents this audit plan and risk mapping to the Audit and Compliance Committee for validation, then to the Executive Committee and the Group's Statutory Auditors.

In its audits and risk mapping, the internal audit department assesses risk management, the implementation of the Group's internal control framework and the application of Group policies and procedures.

The audit conclusions lead to recommendations and action plans developed in collaboration with the Management teams of the audited countries and departments. They are subject to strict monthly monitoring by the Group Secretary General in order to ensure a rapid resolution of identified malfunctions.

Audit reports and action plans are presented to the Audit and Compliance Committee, the Executive Committee and the Group Statutory Auditors each quarter by the Group General Secretary and the Group Head of Internal Audit.

14 audits have been carried out by the Internal Audit Department since its creation in September 2019.

RISK FACTORS

This annual report contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this annual report.

RISKS RELATING TO OUR BUSINESSES AND INDUSTRY

Any deterioration in global and regional economic conditions, political developments, as well as other factors beyond our control, may negatively impact our businesses.

We are susceptible to economic recessions or downturns, and macroeconomic cyclicality accordingly presents a challenge for us. The growth in demand for our services generally correlates with economic conditions, including growth in the gross domestic product in our principal geographic markets. For example, amidst a weak economic environment, our customers may seek to downsize their businesses, delay their outsourcing projects, or otherwise reduce their demand for our services, in particular those services that customers perceive as discretionary (including, for example, with respect to hours, types of services, or scope of services). Periods of recession or deflation may also have an adverse impact on prices and payment terms, including in respect of services that customers may perceive as non-discretionary. In addition, at times of economic uncertainty, our public sector customers may face extensive budgetary or political pressures. We have historically been exposed to downturns in the geographic markets in which we operate.

Our financial and operating performance has previously been adversely affected by periods of recession and deflation and could be further adversely affected by a worsening of general economic conditions in the markets in which we operate, as well as by international trading market conditions and related factors. In addition, in economic downturns in the past, our customers have often reduced the volume of additional services they ordered as supplements to and above their existing contracts, as they typically scale back such services in a difficult economic environment. We may not be able to sustain our current revenue or profit levels if adverse economic events or circumstances occur or continue to occur in the countries in which we operate. In addition, the economies of the countries in which we operate may not experience growth in the future and increase in demand for our services in these markets may not occur.

Although progress in national adjustment and a strengthened EU-wide policy response to the Eurozone crisis have improved financial conditions for EU sovereigns to a certain extent, the medium-term outlook for the Eurozone remains uncertain. This uncertain credit environment may negatively impact our access to financing or our ability to fund our business in a similar manner and at a similar cost to the funding raised in the past.

Our business, financial condition and results of operations and prospects may be adversely affected by a health epidemic such as COVID-19.

The COVID-19 ("Coronavirus") outbreak impacted countries, communities, supply chains and markets, as well as the global financial markets.

Another health epidemic, such as COVID-19, may impact our business and financial condition and could have a material adverse effect on our business, results of operations, financial condition and prospects.

We may not be able to successfully implement our strategies.

Our strategies are to: (i) to drive sustainable and profitable growth, (ii) to improve operational performance through local, regional and global initiatives and (iii) to focus on deleveraging initiatives to secure leading market shares in each of our geographies. There is no assurance that the cost of any of our objectives will be at expected levels or that the benefit of our objectives will be achieved within our expected timeframe of 2023 or at all. Our strategies may also be affected by factors beyond our control, such as inflation and volatility in the world economy and in each of our markets, and the levels of activity of our customers. Any failures, material delays or unexpected costs related to the implementation of our strategies could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to integrate past acquisitions successfully, which could adversely affect our operations and financial condition.

Over the years, our business has grown significantly through acquisitions of companies in new geographical regions. There are risks associated with the continued integration of acquisitions which could have a material adverse effect on our business, results of operations and financial condition, including costs and issues relating to monitoring, hiring and training of personnel, or the integration of IT and accounting and internal control systems; costs associated with adapting our services to the requirements of the local market of the acquired business and local business practices, or developing appropriate risk management and internal control structures for operations in a new market, or understanding and complying with a new regulatory scheme; new tariffs, taxes and other restrictions and expenses, which could increase the prices of our services and make us less competitive; retention of key personnel or customer contracts of acquired businesses; unanticipated events, circumstances or legal liabilities related to the acquired businesses; and the fact that our acquisitions may not achieve anticipated synergies or other expected benefits.

Moreover, we may incur write-downs, impairment charges or unforeseen liabilities, or encounter other difficulties in connection with completed acquisitions which could adversely affect our business, results of operations and financial condition.

Our international operations may subject us to additional risks.

Further to the sale of our activities in the United Kingdom, Ireland and Asia, and including Aktrion, on 28 February 2023, we operates directly in 20 countries as of March 1st 2023, primarily in Europe and the United States. Because of the increasingly international scope of our activities, we are subject to a number of risks and challenges, many of which are beyond our control. These include the management of our international operations and the complexities associated with complying with the legislative and regulatory requirements, including tax rules and labour and social security legislation, of many different jurisdictions, or the negative effect of movements in foreign exchange rates in respect of our operations in countries that do not use the euro. For example, where local tax rules are complex or their applicability is uncertain, compliance with such rules may lead to unforeseen tax consequences. In addition, structuring decisions and local legal compliance may be more difficult due to conflicting laws and regulations, including those relating to, among other things:

- employment, social security and collective bargaining;
- immigration;
- health and safety;
- environmental protection;
- public procurement;
- competition; and
- enforcement of legal rights.

We are subject to economic risks and uncertainties in the countries in which we operate. Any slowdown in the development of these economies, any deterioration or disruption of the economic environment in the countries in which we operate or any reduction in government or private sector spending may have a material adverse effect on our business, financial condition and results of operations. Furthermore, certain incidents could lead to international tension, causing boycotts or otherwise restrict our ability to perform our services. This may have a material adverse effect on our business, results of operations and financial condition.

We may also be subject to political and social uncertainties in some of the countries in which we are present or plan to extend our operations. The political reforms necessary to achieve political transformations in certain of these countries may not continue. The political systems in these countries may be vulnerable to the public's dissatisfaction with reforms, social unrest and changes in government policies. Any disruption or volatility in the political or social environment in these countries may have an adverse effect on our business, financial condition and results of operations.

As a result of our international operations, we are subject to risks associated with operating in foreign countries, including:

- greater GDP volatility;
- political, social and economic instability, or corruption;
- informal, unregulated trade;
- inability to collect payments or to seek recourse under, or comply with, ambiguous or vague commercial or other laws;
- difficulty in hiring or retaining staff;
- labour unrest;
- war, civil disturbance or acts of terrorism;
- taking of property by nationalization or expropriation without fair compensation;
- inconsistent regulations and unexpected changes in government policies and regulations;
- devaluations and fluctuations in currency exchange rates;
- imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries;
- increased risks associated with inflation;
- restrictions on currency, income, capital or asset repatriation;
- restrictions imposed by local law on our ability to own or operate subsidiaries, receive dividends from subsidiaries, make investments or acquire new businesses in certain jurisdictions;
- impositions or increases of investment, trade and other restrictions or requirements by foreign governments; and our use of subcontractors in our international operations, which may expose us to risks of non-compliance with group- wide reporting policies and our code of ethics.

We also conduct certain of our business operations through associated companies where we hold less than 100% of the equity, and we may enter into joint ventures or acquire holdings in associated companies in the future. Our co-shareholders or joint venture partners may (a) have economic or business interests or goals that are inconsistent with ours, (b) take actions contrary to our policies or objectives, (c) experience financial and other difficulties or (d) be unable or unwilling to fulfil their obligations under the acquisition agreement and any related agreements, which may affect our financial condition or results of operations. For certain material decisions, we may therefore not be able to influence decision making or may need to obtain the consent of other shareholders. We often retain the local management teams of entities acquired in foreign jurisdictions, and such local management may also have interests adverse to our own, or impede decision making or the implementation of our strategies. Such limitations could constrain our ability to pursue our corporate and economic objectives in the future and have a material adverse effect on our business, results of operations and financial condition.

On 24 February 2022 Russia invaded Ukraine. Due both to these events themselves and the wide range of financial sanctions imposed on Russia, the impact of the crisis in Ukraine on the macroeconomic situation worldwide is highly uncertain. Atalian has no operations in Ukraine. Regarding our Russian and Belarusian operations, we stopped all investment and financing activities for our subsidiaries and no funds are withdrawn from our subsidiaries, leaving them to operate independently. In 2022, revenue from Russian and Belarusian operations represented approximately 1% of the Group's consolidated revenue. Atalian is currently reviewing the status of its operations in Russia and Belarusian. Atalian does not anticipate that the impact of the crisis in Ukraine on its Russian and Belarusian operations or any actions it takes locally in response to such events will have a material adverse impact on the consolidated results of operations of the Group.

Fluctuations in foreign currency exchange rates could have a material adverse effect on our business, results of operations or financial condition.

Our results of operations are, and may further be, subject to currency effects, primarily currency translation risk. The results of our operations or those of our subsidiaries operating outside the Eurozone are translated into euro, our functional and reporting currency, at the applicable exchange rate, for inclusion in our Consolidated Financial Statements. In 2022, 21% of our revenue was generated from entities using currencies other than the euro as their functional currency. A decline in the value of foreign currencies against the euro can therefore have a negative effect on our revenue and EBITDA as reported in euro. We are exposed to currency risk as a result of our international operations in the countries where euro is not the currency in which we operates. We may also be exposed to currency exchange rate risk in connection with any profits from our international operations that are paid as dividends or otherwise to our holding companies in France. We incur currency transaction risk whenever one of our subsidiaries generates revenue or operating costs in a different currency from the currency in which it operates. Even though our International segment are characterised by relatively low levels of foreign exchange transaction risks, since we generally generate revenue and incur costs in the same currency, fluctuations in foreign exchange rates may still have a material adverse effect on our business, results of operations or financial condition.

The services that we provide may be exposed to price and margin pressure, and we may be unable to attract new customers and retain existing customers at competitive pricing and margin levels.

We may be forced to decrease prices for our services due to a number of factors, including challenging macroeconomic conditions or increased competition in connection with contractual arrangements providing for periodic renegotiation of pricing terms. We may be unable to compensate for these price decreases by attracting new business, reducing our operating costs (for example, through reductions in headcount, increases in labour productivity or other gains in cost efficiency) or otherwise, which could lead to a decline in our profits. Services such as our cleaning services and our security services (other than airport security services) have been particularly exposed to price pressure in recent years. Continued pressure on the margins achieved in contracts with our larger clients, and the loss of such contracts, may have a material adverse effect on our business and results of operations.

Moreover, since purchases consumed, external charges and personnel costs represented, in the aggregate, 94% of our revenue in the twelve months ended December 31, 2022, the profitability of our contracts will generally depend on our ability to control these costs successfully, notably in case of price inflation, and a failure or impossibility to manage or estimate these costs accurately when pricing our services could result in a decline in profits and profitability. For example, during the first months of execution of a new contract, we may incur start-up costs related to technical equipment and employees' uniforms that often result in operating losses. Generally, there is a progressive reduction in operating losses in each successive month of execution of the contract with the contract typically generating operating profit within six months of the beginning of its term. If we fail to control such start-up costs, or do not accurately estimate the amount of such costs when pricing our services, we may experience significant losses in respect of a contract, which could have a material adverse effect on our businesses, results of operations and financial condition.

Price inflation can be caused by several factors, such as scarcity, increases in oil and transportation prices, or geopolitical situations such as the war in Ukraine. Increase of payroll costs (notably further to the regulatory increases of the minimum wages) are another significant element of our operating costs as our business requires a large number of staff.

Our ability to anticipate changes in these costs and to control them is key to efficiently managing our financial performance. Our ability to pass on cost increases in our contract business is determined by the terms of those contracts. The level of risk borne due to changes in costs and their impact on probable margins varies depending on the type of contract under which the services are provided. If we are unable to renegotiate pricing terms with our clients in a timely fashion, we would be exposed to losses due to higher-than-expected costs.

Any failure on our part to control costs or adapt to higher costs could have a material adverse impact on our earnings and our financial position.

Furthermore, bundled contracts are more complex to price due to their scope and complexity as compared to single service contracts, and these complexities may increase to the extent that the contract relates to the performance of newly outsourced services in multiple geographical segments. Any such contracts for newly introduced services will also require us to accurately assess the pricing terms and forecast the operating costs, some of which will be unknown to us at the time of entering into the contract and will require extensive time and resources of our management to predict. In addition, our contracts may include performance-related measures for our services, may limit our ability to adjust fully or on a timely basis our prices as our costs increase or according to an inflation index or other appropriate index, all of which increases the risk associated with our contracts and could adversely impact profitability.

In addition, the impact of laws and regulations, in particular labour and employment laws and regulations, may restrict our ability to achieve cost reductions and other efficiency gains. See "—Our businesses are subject to various laws and regulations, including in relation to labour and employment, and changes in or violations of such laws or regulations may adversely affect our businesses and profitability." Price and margin pressures may therefore lead to a reduction in average prices and margins for our services, which could also have a material adverse effect on our business, results of operations and financial condition.

We face intense competition from a variety of competitors and an inability to compete successfully with our competitors could result in a loss in market share, decreased revenue or decreased profitability.

Our business is highly competitive. The Facility Management presents numerous types of players, targeting global scale and/or multi-services breadth. The FS competitive landscape is made of several players types such as Global generalists (mostly former Soft specialists); National generalists; Global Real Estate specialists offering facility services, benefitting from their privileged client relationship; Multi-service specialists players targeting adjacent services and new countries, providing bundled contracts of either Hard or Soft services; Global pure players leading global single-service specialists; Local pure players focusing on a selected service, mainly to the benefit of local clients. These competitors may have greater resources than us, a broader presence in the market, or a wider geographical scope and therefore a higher capacity to compete for tenders across multiple countries. With respect to less technically complex services with low barriers to entry, such as traditional cleaning services, we also face competition from smaller competitors operating at local levels, many of whom have a strong local market presence and local customer relationships. In addition to competition from other providers of outsourced building services, we also face competition from in-house providers.

In addition, the outsourced cleaning and security services markets remain highly fragmented despite some degree of consolidation. Over time, our competitors, whether global, national, regional or local, could consolidate their businesses, and the diversified service offerings or increased synergies of these consolidated businesses could increase competition in the cleaning and security sectors. These or other changes to the competitive landscape of our industry could result in a loss of market share, decreased revenue or a decline in profitability, and could thus have a material adverse effect on our business, results of operations, financial condition or prospects.

Accordingly, because of this intense competition, we must make constant efforts to remain competitive and convince potential customers of the quality and cost value of our service offerings. We compete with other industry participants on a variety of factors, including the depth and breadth of our services, our technical expertise and price. Our customers are increasingly focused on their costs for maintenance and operation of their facilities. Pricing is also an important factor for securing renewal of contracts, particularly multi-year contracts. We also need to continue to develop new services or enter new geographic markets in order to maintain or increase our competitive position or achieve our strategic goals. If our customers do not perceive the quality and cost value of our services, or there is not sufficient demand for our new services, our business, results of operations and financial condition could be materially adversely affected.

Our businesses are subject to various laws and regulations, including in relation to labour and employment, and changes in or violations of such laws or regulations may adversely affect our businesses and profitability.

Due to the nature of our industry and the global reach of our operations, we are subject to a variety of laws and regulations governing areas such as labour, employment, pensions, immigration, health and safety, tax (including social security, salary taxes and transfer pricing policies), corporate governance, customer protection, business practices, competition and environment and compliance regulations. We incur, and expect to continue to incur, substantial costs and expenditures, and we commit a significant amount of our management's time and resources to comply with increasingly complex and restrictive regulations. Total personnel costs represented 69% of our total revenue in 2022. Labour and employment laws and regulations have historically had a significant effect on our operations. Changes in such laws and regulations may increase our operating costs and diminish our operational flexibility. Furthermore, any failure to comply with the laws or regulations of the countries in which we operate may result in fines, penalties or other means of suspension or termination of our right to provide certain services in the relevant jurisdiction.

Certain past and on-going investigations of us and our principal shareholder by French judicial authorities could adversely affect our reputation, results of operations and financial condition.

In February 2022, the President of the Paris judicial court approved a public interest agreement (convention judiciaire d'intérêt public, or CJIP) between us and the Paris prosecutor's office. The CJIP relates to facts dating back to 2014 and 2015 with respect to two subsidiaries of the Group. By entering into the CJIP, LFA terminated the criminal proceedings without admitting guilt. Under the CJIP, LFA agreed to pay a fine in the public interest of €15 million. While these proceedings have now been irrevocably terminated, they have caused us to incur additional costs, including legal fees.

In connection with the CJIP we entered into in February 2022, we also agreed to submit our internal control and compliance program to monitoring by the French Anti-Corruption Agency (AFA) over a period of two years. In this context, we will have to implement the AFA's recommendations within the applicable deadline.

If our efforts to improve our internal controls and compliance program are not successful, or if other deficiencies in our internal controls or compliance program occur, our ability to accurately and timely report our financial position could be impaired, which could adversely affect our reputation, results of operations and financial condition.

We provide services to companies in certain highly regulated industries, and non- compliance with applicable regulations could expose us to fines, penalties and other liabilities as well as other negative consequences.

We provide services to companies in highly regulated industries, including the nuclear, defence, transport and aeronautical industries. We also perform specialized cleaning services in areas such as healthcare and food-processing facilities. We and our customers in such industries are subject to highly detailed and restrictive laws and regulations regarding the provision of these services and the operation and safety of facilities in the jurisdictions in which we operate. Complying with the legislative and regulatory frameworks for such highly regulated industries, which are becoming stricter, increasingly requires us to devote more of our technical and financial resources to our compliance efforts. The magnitude of the impact of such changes is difficult to predict. Violations of such requirements could expose us to fines, penalties, claims for personal injury or property damage and other costs or liabilities, as well as negative publicity. In addition, more stringent legal and regulatory requirements could adversely impact the long-term growth of the industries to which we provide our services and the demand for our services from customers operating in these industries, which could have an adverse effect on our business, results of operations and financial condition.

We may face risks with respect to any divestments we undertake.

On 28 February 2023 we sold to a company held directly and/or indirectly by funds managed and/or advised by Clayton, Dubilier & Rice («CD&R») of our activities in the United Kingdom, Ireland and Asia, and including Aktrion, pursuant to the sale agreement which signature was announced in our press release published on 16 December 2022. The enterprise value retained in the context of this sale is 735 million euros for the entire scope sold. The amount paid by CD&R today is circa 753 million euros. This amount includes a cash payment of approximately 698 million euros and a payment in the form of a Vendor Loan Note of 55 million euros, bearing interest at an annual rate of 7% (capitalized annually) and for a period of two years. In accordance with the terms of the sale agreement, the amount paid at closing is based on an estimate made by Atalian of the consolidated net financial debt of the scope sold, the change in WCR of the scope sold and the balance of the intra-group debt of the scope sold on the date of closing. CD&R has 90 days to confirm or contest Atalian's estimate as part of a procedure based on completion accounts, on the date of closing, of the scope sold.

Among the risks associated with such divestments, which could have a material adverse effect on our business, results of operations and financial conditions, are the following:

- divestment could result in contractual responsibilities pursuant to the terms of the sale agreement;
- divestments could result in the inability to participate in any tenders to enter into global contracts covering territories of the divested business;
- divestments could result in losses and/or lower margins;
- divestments could result in write-down of goodwill and other intangible assets;
- divestments could result in the loss of qualified personnel; and
- we may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties.

Any of these risks could have a material adverse effect on our results of operations and future growth prospects.

We could be harmed if a significant number of customers and, in particular, our largest customers, terminate their services contracts prior to the expiration of their stated terms or decide not to renew their service contracts, or if we can only renew existing contracts on less favorable terms.

Our contracts are generally automatically renewed at the expiration of the stated term unless explicitly terminated by the customer, except for our contracts with our larger customers which often have an initial fixed term renewable for one or more successive shorter terms at the customer's option. Under the terms of certain of our contracts (typically our larger contracts), our customers may terminate a contract at any time at their discretion following the expiration of an agreed notice period. Although we believe that our business is not dependent on any one contract, the termination of a significant number of contracts prior to the expiration of their stated terms, and in particular contracts with our larger customers, or our failure to renew service contracts on favorable terms, or customer dissatisfaction with our services, may have a material adverse effect on our business, results of operations and financial condition, including by harming our reputation and making it more difficult for us to obtain similar contracts with other customers.

Our public sector contracts may be affected by political and administrative decisions or budgetary constraints.

The public sector is an important customer segment for us, particularly in France. Our businesses may accordingly be adversely affected by political and administrative decisions concerning levels of public spending, such as decreases in public spending that may occur in connection with the focus in France, and other European countries in recent years on reducing national and local government budget deficits. Any future loss of large public sector contracts could have a material adverse effect on our business, results of operations and financial condition.

In certain cases, due to the applicable regulations, such as European Union tender rules, certain terms of public sector contracts, such as pricing terms, contract period, use of subcontractors and ability to transfer receivables under the contracts, are less flexible for us than comparable private sector contracts.

Contracts in the public sector are also subject to review and monitoring by local authorities to ensure compliance with laws and regulations prohibiting anti-competitive practices and we may be found in violation of any such laws or regulations, which would result in fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts. Any such event could have a material adverse impact on our reputation, business, results of operations and financial condition.

We may not be able to win new contracts, including competitively awarded contracts, and the contracts we win may not yield expected results.

We must constantly win new contracts to sustain growth and such new contracts may be subject to competitive bidding. The decision by an existing or potential customer to outsource building services is dependent upon, among other things, its perception regarding the price and quality of such outsourced services. Certain customers may have an initial bias against outsourcing their support functions.

We may be unable to continue to win competitively awarded and other new contracts. In addition, we may spend significant time and incur costs in order to prepare a bid or proposal, or participate in a bidding process, at the end of which we may not be retained. Even if we are awarded a contract, it may not yield the expected results, in particular if we are unable to successfully calculate prices, control costs and manage day-to-day operations. For example, the timetable or cost structure may differ from prior estimates as both depend on a wide range of parameters, some of which are difficult to forecast, such as increased personnel costs resulting from unfavourable changes in labour and employment laws or regulations, which can lead to execution difficulties and cost overruns that we may not be able to pass on to our customers. Our inability to accurately predict the actual cost of providing our services could result in a decrease in our margins or even losses under these contracts, which would have a material adverse effect on our business, results of operations and financial condition.

We may not be able to hire and retain enough sufficiently qualified technicians to support our operations. In addition, we may encounter problems in recruiting and retaining qualified employees across our business in periods of rapid economic growth.

In some of the market segments in which we operate, such as multi-technical services, our success depends upon our ability to attract and retain qualified technicians and any difficulties in retaining them could disrupt our operations. Our growth also requires that we continually hire and train new qualified technicians. A higher turnover rate among qualified technicians will increase our recruiting and training costs and limit the number of experienced personnel available to staff projects adequately. If this were to occur, we may not be able to execute projects effectively and operate those businesses profitably. In addition, in periods of rapid economic growth, we may encounter problems in recruiting and retaining qualified employees across all our businesses or generally experience increasing staff costs in order to recruit and retain such employees, which we may not be able to effectively pass on to our customers, which could have a material adverse effect on our businesses, results of operations and financial condition.

A deterioration of the relationships with our employees or trade unions or a failure to extend, renew or renegotiate on favorable terms our Group-specific collective bargaining agreements could have an adverse impact on our businesses.

As we are continuously restructuring our workforce to achieve productivity gains, maintaining good relationships with our employees, unions and other employee representatives is crucial to our ability to successfully implement such restructurings. As a result, any deterioration of the relation- ships with our employees, unions and other employee representatives could have an adverse effect on our businesses, results of operations and financial condition.

The majority of our employees are covered by national collective bargaining agreements and company-level agreements specific to the Group. These agreements typically complement applicable statutory provisions in respect of, among other things, the general working conditions of our employees such as working time, holidays, termination, retirement, welfare and incentives. National collective bargaining agreements and group-specific agreements also contain provisions that could affect our ability to restructure our operations and facilities, to terminate employees or to outsource certain services.

We may not be able to extend existing group-specific agreements, renew them on their current terms, or, upon the expiration of such agreements, negotiate such agreements in a favorable and timely manner or without work stoppages, strikes or similar industrial actions. We may also become subject to additional group-specific agreements or amendments to the existing national collective bargaining agreements. For example, the upcoming negotiations on the regrouping of professional branches such as cleaning, security, temporary work, catering could in the long term lead to salary increases and the granting of additional benefits based on the most advantageous collective agreements concerned by this grouping. Additional group-specific agreements or amendments may increase our operating costs and have a material adverse effect on our business, results of operations and financial condition.

In addition, we are required to consult and seek the advice of our employee works councils with respect to a broad range of matters, which could prevent or delay the completion of certain corporate transactions.

Consultations with works councils, strikes, similar industrial actions or other disturbances by our workforce, particularly where there are union delegates, could disrupt our operations, result in a loss of reputation, increased wages and benefits or otherwise have a material adverse effect on our business, results of operations and financial condition.

We have recorded a significant amount of goodwill and we may never realize the full value thereof.

We have recorded a significant amount of goodwill in relation to our acquisitions. Total goodwill, which represents the excess of cost over the fair value of the net assets of businesses or shares acquired, was €523million as of December 31, 2022 (compared to €1,062 million as of December 31, 2021), or 45% of our total assets, further to the sale of our activities in the United Kingdom, Ireland and Asia, and including Aktrion and the impact from the lower performance in the USA.

Goodwill is recorded on the date of acquisition and is tested for impairment annually and whenever there is any indication of impairment. Impairment may result from, among other things, deterioration in our performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations (including changes that restrict our activities or affect the services we provide) and a variety of other factors. The amount of any impairment must be expensed immediately as a charge to our income statement. We recorded €72 millions as goodwill impairment in 2022 related to our US activities. Any further significant impairment of goodwill in the future may result in a material reduction in our income and equity and could have a material adverse effect on our business, results of operations and financial condition.

The departure of key members of our management team or other key personnel, or our inability to attract and retain qualified management or other key personnel, could have an adverse effect on our business.

Our success is dependent, to a large degree, upon the continued service and skills of our existing executive management team. If one or more of our executives or other key personnel are unable or unwilling to continue in their present positions, we may not be able to replace them easily and our business may be disrupted, which may materially and adversely affect our results of operations and financial condition. Competition for management and key personnel is intense, and the pool of qualified candidates is limited, so we may not be able to attract and retain experienced executive or key personnel in the future, which could hinder our ability to run and develop our business successfully. In addition, if any of our executives or other key personnel joins a competitor or forms a competing company, we may lose customers, know- how and other key personnel, which may have a material adverse effect on our business, results of operation and financial condition.

We may not be able successfully to defend against claims made against us by customers or other third parties or may fail to recover adequately on our claims against customers or third parties.

We may enter into agreements with third-party partners, equipment suppliers and subcontractors in connection with the provision of services under our customer contracts. Reliance on such third parties reduces our ability to directly control both our workforce and the quality of services provided.

Accordingly, we are exposed to risks relating to managing third parties and the risk that these third parties may fail to meet agreed quality benchmarks under the contract or to generally comply with applicable legislative or regulatory requirements.

As such, claims involving such third parties may be brought against us, and by us. Claims brought against us could include accrued expenses for allegedly defective or incomplete work, breaches of warranty or late completion of the project and claims for cancelled projects. The claims and accrued expenses can involve actual damages, as well as contractually agreed upon liquidated sums. These claims, as well as claims we may make against customers or other third parties, if not resolved through negotiation, could result in lengthy and expensive litigation or arbitration proceedings. Expenses associated with claims, or our failure to recover sufficient damages or liquidated sums in connection with claims brought against third parties, could have a material adverse effect on our businesses, financial condition and results of operations.

Furthermore, third-party partners, equipment suppliers and subcontractors may have inadequate insurance coverage or inadequate financial resources to honour claims or judgments resulting from damages or losses inflicted on the customer by such third parties. Any failure of such third parties to meet their obligations could harm our reputations, as well as result in customer losses and financial liabilities, which could have a material adverse effect on our business, results of operations and financial condition.

We may be subject to claims or penalties relating to the working conditions of our employees.

Our operations are subject to environmental as well as occupational health and safety laws and regulations. New technology, the implementation of new work processes, services, tools and machinery may have unforeseen negative effects on the working conditions of our employees. Some of the services we undertake in our businesses put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles and hazardous chemicals. Unsafe worksites also have the potential to increase employee turnover, increase the cost of a service to our customers or the operation of a facility and raise our operating costs. Violations of, or liabilities under, applicable environmental or occupational health and safety laws and regulations could result in fines, penalties, legal claims as well as increased operating costs and reputational damage, which could have a material adverse effect on our business, results of operations and financial condition.

We may incur liabilities for the actions of our employees.

As with other providers of outsourced building services, our employees provide our services within buildings and at locations owned or operated by our customers. As a result, we may be subject to claims in connection with damage to property, business interruptions, the spread of infections at healthcare facilities, food contamination, violations of environmental and/or occupational health and safety regulations, unauthorized use of the customer's property or willful misconduct or other tortious acts by our employees or people who have gained unauthorized access to premises through us. Such claims may be substantial and may result in adverse publicity for us. Moreover, such claims may not be covered by our insurance policies. Accordingly, these claims could have a material adverse effect on our businesses, results of operations and financial condition.

In addition, the tender process involves risks associated with fraud, bribery, corruption and fraudulent activity in the procurement process. Although we maintain internal monitoring systems, and we have never been convicted, fined or sanctioned in connection with fraud, bribery or corruption, we may be unable to detect or prevent every instance of fraud, bribery and corruption involving our employees or agents in the future. The involvement or association of our employees or agents with fraud, bribery or corruption, or other violations or allegations or rumours relating thereto, could have a material adverse effect on our businesses, results of operations and financial condition.

We may incur liabilities that are not covered by insurance.

We carry insurance of various types, including property damage insurance, general liability coverage and directors' liability insurance. Given our international operations, the diversity of locations and settings in which our employees provide services and the range of activities our employees engage in, we may not always be able to accurately foresee all activities and situations in order to ensure that they are fully covered by the terms of our insurance policies and as a result, we may not be covered by insurance in specific instances. While we seek to maintain appropriate levels of insurance, not all claims are insurable, and we may experience major incidents of a nature that are not covered by insurance. Furthermore, the occurrence of several events resulting in substantial claims for damages within a calendar year may have a material adverse effect on our insurance premiums. In addition, our insurance costs may increase over time in response to any negative development in our claims history or due to material price increases in the insurance market in general. We may not be able to maintain our current insurance coverage or do so at a reasonable cost, which could have a material adverse effect on our businesses, results of operation and financial condition.

We may incur substantial liabilities for any failure to meet applicable cleanliness, safety or security standards, and experience adverse publicity relating to any actual or alleged failure to meet such standards, which could result in damage to our reputations.

Our businesses are associated with public health and safety, particularly our cleaning services in relation to food preparation and healthcare facilities and our wide-ranging catering services. We may be subject to substantial liabilities if we fail to meet applicable cleanliness or safety standards and that failure causes harm to individuals or entities, including, for example, through contamination of food products produced at the facilities that we clean or the outbreak of illness within the hospitals that we service. In addition, we could be held responsible for any breaches of security by our employees at sensitive customer sites, such as airports and nuclear power stations. Furthermore, our reputations could be harmed by any actual or alleged failure to meet appropriate cleanliness or safety standards. Any publicity relating to incidents of this kind could have a material adverse effect on our reputations and, therefore, our businesses, results of operations and financial condition.

We rely on computer systems to conduct our business. Our computer systems may fail to perform their functions adequately or be interrupted, which could potentially harm our business.

We rely on numerous computer systems that allow us to track and bill our services, communicate with customers, manage our employees and gather information upon which management makes decisions regarding our business. The administration of our businesses is increasingly dependent on the use of these systems. As a result, system failures or disruptions resulting from computer viruses, hackers or other causes could have a material adverse effect on our businesses, results of operations and financial condition.

We may face tax risks.

We have structured our commercial and financial activities in light of diverse regulatory requirements and our commercial and financial objectives. These structures therefore create value from the synergies and the commercial power vested in a multinational group. Given that tax laws and regulations in the various jurisdictions in which we operate may not provide clear-cut or definitive doctrines, the tax regime applied to our operations and intra-group transactions or reorganisations is sometimes based on our interpretations of French or foreign tax laws and regulations. We cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, which may adversely affect our financial condition or results of operations. More generally, any failure to comply with the tax laws or regulations of the countries in which we operate may result in reassessments, late payment interest, fines and penalties.

Furthermore, we may record deferred tax assets on our balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carryforwards from our entities. The actual realization of these assets in future years depends on tax laws and regulations (including the evolution of the CICE mechanism), the outcome of potential tax audits, and on the expected future results of the relevant entities. In particular, under currently applicable rules in France, tax losses carried forward can only offset €1 million of taxable income plus 50% of the current-year taxable income that exceeds that amount. As of December 31, 2022, our net deferred tax assets totaled €53.6 million, mainly related to tax loss carry-forwards of the Atalian Cleaning tax group. Any reduction in the ability to use these assets due to changes in laws and regulations, potential tax reassessments, or lower than expected results could have a material adverse impact on our results of business operations and financial condition.

We are subject to risks from legal and arbitration proceedings, which could adversely affect our financial results and condition.

From time to time, we are involved in labour, tax and commercial legal and arbitration proceedings, the outcomes of which are difficult to predict. We could become involved in legal and arbitration disputes in the future which may involve substantial claims for damages or other payments. In addition, partly due to the constant restructuring of our workforce, we are involved in a large number of proceedings with employees, typically in respect of severance payments in connection with dismissals and claims of recharacterisation of a fixed-term employment contract into an indefinite-term employment contract or of a part-time employment contract into a full-time employment contract, as well as proceedings related to the application of relevant national collective bargaining agreements concerning the automatic transfer of employees. Although individually these proceedings do not typically involve substantial amounts, in the aggregate such proceedings or any increase in the number of such proceedings may have a significant adverse impact. As of December 31, 2022, we the amount of provision incurred amounted to €11 million for litigation.

In the event of a negative outcome of any material legal or arbitration proceeding, whether based on a judgment or a settlement agreement, we could be obligated to make substantial payments, which could have a material adverse effect on our business, financial condition and results of operations. In addition, the costs related to litigation and arbitration proceedings may be significant. Even if there is a positive outcome in such proceedings, we may still have to bear part or all of our advisory and other costs to the extent they are not reimbursable by other litigants, insurance or otherwise, which could have a material adverse effect on our business, results of operations and financial condition.

RISKS RELATED TO OUR INDEBTEDNESS

Our substantial level of indebtedness could materially and adversely affect our ability to fulfil our obligations under our debt agreements, our ability to react to market changes and our ability to incur additional debt to fund future needs. In addition, increases in interest rates could adversely affect our ability to service our debt obligations.

As of December 31, 2022, we and our consolidated subsidiaries had €1,423 million of gross debt (including off-balance sheet factoring and lease liabilities under IFRS 16), including a €103.0 million revolving credit facility agreement.

Our substantial indebtedness could have important consequences. In particular, it could:

- make it more difficult for us to satisfy our obligations, including our obligations under our senior notes;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for working capital, capital expenditures, acquisitions, research and development and other purposes;
- increase our vulnerability to adverse economic and industry conditions;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- restrict us from pursuing exploiting certain business opportunities;
- place us at a competitive disadvantage compared to our competitors that have relatively less debt; and
- limit our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, and other purposes.

In addition, our debt under our revolving credit facility bears interest at a variable rate which is equal to the sum of (i) the EURIBOR rate for interest periods of one, three or six months (or any other period agreed between Atalian S.A.S.U. and the agent under the revolving credit facility (acting on behalf of all the lenders)), or, if EURIBOR is not available, the replacement rate as described in the revolving credit facility agreement and (ii) the applicable margin, which was initially equal to a base margin of 2.25% subject to a margin ratchet up or down based on the credit rating attributed to us by Moody's and S&P, and which as a result of the downgrades in our credit ratings by Moody's and S&P in December 2022 is currently 2.75%. Fluctuations in the EURIBOR rate or the replacement rate (as applicable) or changes in our credit rating may increase our overall interest burden and could have a material adverse effect on our ability to service our debt obligations.

For a discussion of our cash flow and liquidity, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

6 FINANCIAL REPORT

atalian@saint-gobain-fr

49,000 m² of surfaces cleaned daily
2,500 occupants
42 dedicated Atalian employees

CARING FOR PLACES

LA FINANCIÈRE ATALIAN

INVESTORS REPORT

TWELVE MONTHS ENDED AS AT 31 DECEMBER 2022

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis summarises the significant factors affecting our results of operations and financial condition during the year ended 31 December 2022. The historical information discussed below for the Group is as of and for the year ended 31 December 2022 and is not necessarily representative of the Group's results of operations for any future period or our financial condition at any future date. We have prepared the audited consolidated financial statements for the Group from 1 January 2022 to 31 December 2022 included herein in accordance with IFRS.

The following discussion includes forward-looking statements based on assumptions about our future business. Our future results could differ materially from those contained in these forward-looking statements. Percentages may be calculated on non-rounded figures and therefore may vary from percentages calculated on rounded figures.

The "Group", "we", "our" and "us", unless otherwise indicated, collectively refer to La Financière ATALIAN S.A.S. and its consolidated subsidiaries.

1. OVERVIEW

We are a leading independent provider of outsourced building services. As at 31 December 2022, we operated in 19 countries, including France, our principal market, serving a diverse range of customers in the private and public sector. Originally established in 1944 as a provider of cleaning services in France, we began transforming ourselves into a multi-disciplinary provider of outsourced building services in 1999. Our comprehensive multi-service and multi-technical offering covers many market segments for outsourced building services. We provide our services by relying primarily on in-house expertise and resources. We are an important provider of the various types of outsourced building services in each of the countries in which we operate.

From 2009 to 2018, we experienced growth mainly through the acquisition both inside and outside of France of companies with services, expertise and geographical scope that are complementary to our own but also organically. In particular, in France, we significantly expanded our operations through the acquisitions in 2009 of Veolia Propreté Nettoyage et Multiservices («VPNM»), a cleaning services provider with a significant portfolio of large corporate customers, and Eurogem, a multiservice provider of outsourced building services. Our expansion in France since 2014 included the acquisition of various entities specialising in cleaning services, including Vitsolnet, HEI, Net'Express, Facilicom Services GroupFrance SA («Facilicom»), a French wholly owned subsidiary of the Dutch Facilicom group, and Clean Residences. Our expansion in France has recently continued, notably with the acquisition in 2018 of Limpa and BBA, two companies specialising in cleaning services. Our acquisitions have allowed us to expand our service offering and expertise to include a broad range of outsourced building services.

We have also used the business model developed in France to significantly grow our presence in international markets outside France, both in response to, and in anticipation of, our clients' needs. Since 2003, we have acquired approximately 300 entities in 36 countries (including France). Since 2015, we acquired companies in the United States, Central and Eastern Europe and expanded our operations into Southeast Asia and North and West Africa.

In 2018, we acquired the entire share capital of Servest Limited, a leading provider of facility management services in the United Kingdom («Servest UK». Servest UK provides a full suite of cleaning, building maintenance, catering, security, pest control, compliance and other facilities management services and solutions to over 2,200 public and private sector customers at thousands of clients across the United Kingdom.

In recent years, the Group has focused on the following three strategic pillars:

- driving sustainable and profitable growth;
- continuously improving operational performance; and
- deleveraging actions.

In line with this strategy, the Group refocused its strategy on its core businesses, and introduced a divestment program for non-core activities, as part of which it sold its Landscaping activities in 2019 and Ramky Cleantech in Singapore in 2021.

After very challenging year in 2020 for most industries in light of the Covid-19 crisis with the Group experiencing a global slow-down in activity, primarily driven by interruptions in activities due to lockdowns and restrictions in certain end markets, the Group demonstrated its ability to rebound in 2021 and accelerate further in 2022, driven by the successful deployment of the Integrated FM strategy and the strength of its commercial pipeline.

On 16 December 2022, Atalian announced a sale and purchase agreement was signed with Clayton, Dubilier & Rice ("CD&R"), under which funds managed by CD&R will acquire the operations of Atalian in the United Kingdom, Ireland and Asia, including Aktrion. The enterprise value of these entities is €735 million. After satisfying customary conditions, including regulatory and competition authority approvals in the United Kingdom, the transaction was finalised on 28 February 2023.

On 23 December 2022, Atalian finalised the disposal to AHDS Management of several entities (Morocco, Senegal and Ivory Coast).

2. FINANCIAL INFORMATION

Management financial measures

We define Recurring EBITDA as operating profit, as reported in our consolidated financial statements, adjusted to exclude the following line items, each of which is as reported in our consolidated financial statements: depreciation and amortization, net; provisions and impairment losses, net; and other income and expenses.

Recurring EBITDA is not a specifically prescribed line item under IFRS, is not a measure of financial condition, liquidity or profitability and should not be considered as an alternative to the result for the period as determined in accordance with IFRS, cash flows generated by operating activities determined in accordance with IFRS or any other measure prescribed by IFRS. We believe that the inclusion of Recurring EBITDA in this report is useful to investors because it provides investors the same information that we use internally for purposes of assessing our operating performance. Recurring EBITDA has important limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our operating results. Because not all companies calculate Recurring EBITDA identically, this presentation of Recurring EBITDA may not be comparable to the similarly titled measure of other companies.

Disposal of activities in the UK, Ireland, Asia, and Aktrion

On 16 December 2022, La Financière Atalian («Atalian») announced the signature of an agreement with Clayton, Dubilier & Rice («CD&R»), under which the funds managed and/or advised by CD&R will acquire Atalian's activities in the UK, Ireland and Asia, and including Aktrion. With a turnover of €1.075 billion in 2022, the enterprise value of these entities is €735 million. UK and Ireland, Aktrion and Asian entities represent geographical areas of operations. Consequently, and following Atalian's engagement to dispose of these entities through a joint share disposal agreement, the operation falls under the scope of Discontinued Operations as per IFRS 5.

The criteria for classification as discontinued operations being met, the following accounting treatments have been enacted in the Group financial statements as at 31 December 2022:

- The non-current assets of the disposed operations are classified as held for sale on a separate line of the consolidated balance sheet and measured at the lower of the carrying amount and fair value less costs to sell,
- The depreciation of the related fixed assets ceased as of 16 December 2022,
- The sum of the post-tax profit or loss of the discontinued operations is presented as a single amount on the face of both the consolidated income statement and the statement of comprehensive income,
- The net cash flows attributable to the operating, investing, and financing activities of the discontinued operations is presented separately on the face of the cash flow statement.

These operations were not previously classified as held-for-sale or as discontinued operation, the comparative consolidated income statement and statement of comprehensive income have been restated to disclose the discontinued operations separately from continuing operations. Subsequent to the disposal, the Group will maintain some relations with the discontinued operations in terms of general support services rendered towards the entities disposed of through a transition service agreement signed on 28 February 2023. Consequently, intra-group transactions in relation with management fees have been duly allocated to both continued and discontinued operations to reflect the continuity of such interaction, showing a €6.4 million operating profit for the continued operations.

Overview of reporting segments

We have the two following reporting segments:

- **France:** This segment includes all the companies operating in France, either in Cleaning activity or the Other divisions (with notably Multitech and Security) entitled Facility Management. In 2022, our France segment generated €1,390.3 million, or 67.3% of group net sales.

  The two business lines that generated net sales in France were cleaning and facility management.

  We offer **cleaning and associated services**, which include periodic cleaning of offices and retail outlets and specialised cleaning services in the health, food-processing, transportation, manufacturing and other industries in France. In 2022, our cleaning business in France generated €980.6 million of net sales.

  Our **facility management businesses** include multi-technical and multi-service management, safety and security, hospitality services and others. We also offer bundled facility management services, while hospitality services are provided through our cooperation with City One. In 2022, our facility management business generated €409.6 million of net sales.

- **International**: This segment comprises all companies outside France. As of 31 December 2022, we operated in 18 countries outside of France, in Europe, United States and Middle East, providing cleaning, multi-technical, security and bundled facility management services. In 2022, our International segment generated €678.7 million, or 32.9% of group net sales. The definition of the International segment changed as compared to previous year due to the application of IFRS 5.

In addition, in our consolidated financial statements, we present in our segment information an additional item labelled «**Other**» which (i) includes the activities of our holding companies, such as group-level management of finance, legal, accounting, procurement, human resources, fiscal and customer relations matters and (ii) reflects the elimination of intragroup transactions between reporting segments in consolidation. In 2022, net sales for «Other» amounted to €(3.8) million.

3. RESULTS OF OPERATIONS FOR FISCAL YEAR ENDED 31 DECEMBER 2021 AND 31 DECEMBER 2022

	For the twelve months ended 31 December	
in millions of euros	2022	2021 IFRS5
NET SALES	2,065.1	2,032.1
Raw materials & consumables used	(425.1)	(418.1)
External expenses	(88.0)	(79.6)
Staff costs	(1,427.5)	(1,372.9)
Taxes (other than on income)	(35.7)	(27.6)
Other recurring operating income and expenses	5.9	17.1
RECURRING EBITDA	94.7	151.0
Depreciation and amortization, net	(69.3)	(61.4)
Provisions and impairment losses, net	(68.4)	(20.3)
Other income & expenses	(22.6)	(13.1)
OPERATING PROFIT	(65.6)	56.2
Financial debt cost	*(81.7)*	*(78.4)*
Income from cash and cash equivalents	*0.5*	*0.4*
Net financial debt cost	***(81.2)***	***(78.0)***
Other net financial income and expenses	*(8.7)*	*(4.1)*
NET FINANCIAL EXPENSES	(89.9)	(82.1)
Income tax expense	(30.3)	(20.1)
NET INCOME / (LOSS) FROM CONTINUING OPERATIONS	(185.8)	(46.0)
Net income / (loss) from discontinued operations	16.9	(1.6)
INCOME / (LOSS) FOR THE PERIOD	(168.8)	(47.6)
Attributable to owners of the company	(172.1)	(52.1)
Attributable to non-controlling interests	3.2	4.5

Net sales

The following table sets forth the breakdown of our Net Sales for the periods indicated by reporting segment:

	For the twelve months ended December 31	
in millions of euros	2022	2021
France	1,390.3	1,378.3
International	678.7	655.5
Other	(3.8)	(1.7)
TOTAL NET SALES	2,065.1	2,032.1

Net sales increased by €33.0 million, or +1.6%, to €2,068.3 million in 2022 as compared to €2,032.1 million in 2021. This performance included the negative impact of currency movements for 0.8% due to depreciation of Turkish lira versus the euro, partly offset by the appreciation of the US dollar, and the scope effect was negative by 0.5% with the disposals of Harta in Malaysia, Northcom in the Philippines and the Group's operations in Vietnam.

On a like-for-like basis, net sales increased by 2.9%. The improvement resulted from the positive impact of contract wins and indexation, partly offset by the lower contribution of special works related to Covid-19 sanitary measures.

By segment:

France. In 2022, net sales increased by €12.0 million or 0.9% (as reported and like-for-like) to €1390.3 million, as compared to €1,378.3 million in FY 2021, due to contract wins and the solid growth of IFM, partly mitigated by the non-recurring benefit of Covid-19 related special works of 2021 and increased attrition.

International. For the full year of 2022, Net Sales increased by €23.2 million, or 3.5% to €678.7 million as compared to €655.7 million in FY 2021. Year-on-year Net sales variation includes the effects of changes in perimeter for €(10.3) million (disposal of Harta in Malaysia, Northcom in the Philippines and the Group's operations in Vietnam) and foreign exchange rates for €(15.5) million (depreciation of the Turkish lira versus the euro being partly mitigated by the appreciation of the US dollar). Excluding those items, like-for-like Net Sales increased by 7.5% in FY 2022 compared to FY 2021. When excluding the 20.4% decrease in Net Sales in the USA due to contract losses and delayed commercial recovery, like-for-like Net Sales growth was +16.3% in FY 2022 driven by the benefit of contract wins and indexation in Benelux and Central & Eastern Europe.

Recurring EBITDA

The following table sets forth the breakdown of Recurring EBITDA for the periods indicated by reporting segments:

in millions of euros	For the twelve months ended December 31	
	2022	2021 IFRS5
France	123.3	155.5
International	9.4	34.6
Other	(38.0)	(39.1)
RECURRING EBITDA	94.7	151.0

Recurring EBITDA decreased by €56.3 million, or 37.3% to €94.7 million in 2022, as compared to €151.0 million in 2021. Like-for-like decrease was 33.7%. Recurring EBITDA margin was 4.6% in 2022, down 280 basis points compared to 2021. Excluding the USA, Recurring EBITDA went down 25.8% and 23.3% on a like-for-like basis.

France. In 2022, Recurring EBITDA decreased by €32.3 million, or 20.7%, to €123.3 million, as compared to €155.5 million in 2021. Recurring EBITDA margin reached 8.9%, down 241 basis points compared to 2021, reflecting the impact of inflation not fully passed-through, the lower contribution of Covid-19 related extra works, and the impact of lower profitability of contracts at starts not offset by the high profitability of contract losses.

International. In 2022, Recurring EBITDA decreased by €25.1 million, or 72.6%, to €9.4 million, as compared to €34.6 million in 2021. Recurring EBITDA margin went down by 388 basis points to 1.4% mainly reflecting the impact of lower net sales in the USA.

Others. “Others”, which includes items that are not components of an operating segment, notably the operations of the Group’s holding entities, decreased in costs by €1.1 million to €(38.0) million in 2022, as compared to €(39.1) million in 2021.

Operating profit

Operating profit decreased by €121.8 million from €56.2 million in 2021 to €(65.6) million in 2022. This decrease reflected the impact of lower Recurring EBITDA, combined with depreciation and amortisation reflecting increased capital expenditures, higher Other income & expenses (net expenses of €22.6 million in 2022 compared with net expenses of €13.1 million in 2021) as well as an increase in Provisions and impairment loss to €(68.4) million in 2022 versus €(20.3) million in 2021.

Provisions and impairment loss include the impairment charge regarding the US goodwill for €(71.8) million, while the reversal of the provision on the CJIP booked in 2021 for €15.4 million is netted with the effective costs on this line.

Other income & expenses include mainly the cost related to the disposal of activities in the UK, Ireland and Asia, and including Aktrion for €(6.4) million, M&A termination fees for €(5.8) million and transaction costs in the USA for €(3.3) million.

Net income (loss) for the period

Net income for the period was a loss of €168.8 million, as compared to a net loss of €47.6 million in 2021.

4. LIQUIDITY AND CAPITAL RESOURCES

Cash flows

The following table summarizes our consolidated cash flow statements for the periods indicated:

in millions of euros	For the twelve months ended December 31	
	2022	2021
Net cash from (used in) operating activities	98.0	163.4
Net cash used in investing activities	(79.3)	(51.7)
Net cash used in financing activities	(52.7)	(188.3)
Exchange gains (losses) on cash and cash equivalents	(11.3)	2.3
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(45.2)	(74.3)

Net cash from (used in) operating activities

in millions of euros	For the twelve months ended December 31	
	2022	2021
Profit / (loss) from continuing operations	(185.8)	(46.0)
Profit / (loss) from discontinued operations	16.9	(1.6)
Adjustment for and elimination of non-cash items	150.8	128.8
Elimination of net finance costs	86.3	81.2
Elimination of income tax expense	33.0	23.2
Elimination of net other financial expenses	7.1	6.2
CASH GENERATED FROM OPERATIONS BEFORE FINANCIAL EXPENSES AND INCOME TAX	108.4	191.9
Change in working capital	10.0	2.8
Income tax paid	(16.7)	(26.6)
Change in factoring deposit	(3.7)	0.8
NET CASH FROM OPERATING ACTIVITIES	98.0	163.4
of which net operating cash from continuing operations	51.3	94.1
of which net operating cash from discontinued operations	46.7	69.3

We experienced a cash inflow of €98.0 million in 2022, as compared to an inflow of €163.4 million in 2021, mainly due to lower Recurring EBITDA.

Net cash used in investing activities

in millions of euros	For the twelve months ended December 31 2022	2021
Purchase of fixed assets [1]	(51.6)	(43.3)
Proceeds from sales of fixed assets	6.8	2.3
Purchase of consolidated companies (net of cash acquired)	(32.3)	(0.6)
Sales of consolidated companies (net of cash sold)	(1.0)	(7.2)
Other cash flows from investing activities	(1.1)	(2.9)
NET CASH USED IN INVESTING ACTIVITIES	(79.3)	(51.7)
of which net investing cash from continuing operations	(35.9)	(32.2)
of which net investing cash from discontinued operations	(43.4)	(19.5)

[1] *Including change in net payables due on fixed assets.*

Net cash used in investing activities increased from €51.7 million in 2021 to €79.3 million in 2022, primarily due to a normalised level of capital expenditures after the cost containment measures of 2021 due to the Covid-19 pandemic, and the acquisition of Incentive FM in the UK.

Net cash used in financing activities

The following table sets out the principal components of our net cash flow used in financing activities for the periods indicated:

in millions of euros	For the twelve months ended December 31 2022	2021
Proceeds from new borrowings	114.0	32.6
Repayments of borrowings	(89.2)	(118.9)
Finance costs, net [1]	(81.8)	(76.2)
Dividends	(1.2)	(5.0)
Operations in share capital	-	(12.4)
Other	5.5	(8.3)
NET CASH USED IN FINANCING ACTIVITIES	(52.7)	(188.3)
of which net financing cash from continuing operations	(39.1)	(155.2)
of which net financing cash from discontinued operations	(13.6)	(33.1)

[1] *Amount net of capitalized interests and other non-cash interest expenses*

Net cash used in financing activities amounted to €52.7 million in 2022, primarily due to
- the repayment of borrowings of €89.2 million including €25 million relating to the PGE,
- the utilisation of the revolving credit facility for €103 million.

Net Financial Debt Evolution

in millions of euros	As of 31 December 2022	31 December 2021
Cash and cash equivalents	91.1	157.0
Short-term bank loans and overdrafts	(10.1)	(3.8)
NET CASH AND CASH EQUIVALENTS	81.0	153.2
Non-current financial liabilities	1,282.0	1,309.5
Current financial liabilities	141.4	71.6
Financial instrument (liability)	1.5	2.2
DEBT	1,424.9	1,383.3
NET FINANCIAL DEBT	1,343.9	1,230.1

As of 31 December 2022, net financial debt was €1,343.9 million, as compared to €1,230.1 million as of 31 December 2021. Net financial debt as of 31 December 2022 included immediate financing provided by deconsolidated receivables for €213.8 million, compared to €214.0 million as of 31 December 2021.

5. OUTLOOK

Along with the implementation of the new governance and delivery of improved Recurring EBITDA in France and the USA, Atalian anticipates the finalisation of its global refinancing by February 2024.

For the full year of 2023, Atalian expects net sales of more than €2,050 million with a significant improvement in Recurring EBITDA above €130 million. As a result, financial leverage should continue to improve, below 5.4 times.

This section "Outlook" contains forward-looking statements regarding the intent, belief or current expectations of the Group. These statements reflect the current views of the Group with respect to future events, are made in light of information currently available to the Group and are subject to various risks, uncertainties and assumptions that may be outside the Group's control, including those described in the section entitled "Risk Factors" of the Annual Report.

LA FINANCIÈRE ATALIAN

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Bugeaud

18, rue Spontini
75116 Paris
S.A.S. au capital de € 50 000 – 418 234 274 R.C.S. Paris

Commissaire aux Comptes
Membre de la compagnie régionale de Paris

ERNST & YOUNG Audit

Tour First – TSA 14444
92037 Paris-La Défense cedex
S.A.S. à capital variable – 344 366 315 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie régionale de Versailles
et du Centre

To the Shareholders of La Financière Atalian,

OPINION

In compliance with the engagement entrusted to us by Shareholders' Decisions, we have audited the accompanying consolidated financial statements of La Financière Atalian for the year ended December 31, 2022.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2022 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

BASIS FOR OPINION

Audit Framework

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

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2022 to the date of our report.

EMPHASIS OF MATTER

We draw your attention to the matter described in Note "1.3. Going concern" to the consolidated financial statements presenting the elements on which the application of the going concern principle is based. Our opinion is not modified in respect of this matter.

JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of Articles L. 823 9 and R. 823 7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

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

Your Company systematically carries out, at year end, an impairment test on goodwill and assesses whether there is an indicator of impairment of non-current assets. We examined the procedures of implementation of this impairment test as well as the assumptions used and the cash flow forecasts, the consistency of which we verified against the budgets and medium-term plans approved by Management. We also verified that Note «5.1. Goodwill» to the consolidated financial statements provides appropriate information.

Your Company recognizes deferred tax assets according to the methods described in Notes "2.1. Accounting policies" and "5.6. Non-current tax assets and liabilities" to the consolidated financial statements. We verified the overall consistency of the assumptions used as well as the calculations made by your Company.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the President's management report.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the President.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823 10 1 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Paris and Paris-La Défense, April 28, 2023

The Statutory Auditors
French original signed by

AUDIT BUGEAUD	ERNST & YOUNG Audit
Robert Mirri	Christine Staub

LA FINANCIÈRE ATALIAN

CONSOLIDATED FINANCIAL STATEMENTS (FOR THE 12 MONTHS YEAR ENDED DECEMBER 31, 2022)

CONSOLIDATED INCOME STATEMENT

in millions of euros

	Note	December 31, 2022	December 31, 2021 IFRS5*
NET SALES	3	2,065.1	2,032.1
Raw materials & consumables used		(425.1)	(418.1)
External expenses		(88.0)	(79.6)
Staff costs	4	(1,427.5)	(1,372.9)
Taxes (other than on income)		(35.7)	(27.6)
Other operating income	4	15.9	21.5
Other operating expenses	4	(10.0)	(4.4)
OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISION AND IMPAIRMENT LOSS	3 / 4	94.7	151.0
Depreciation and amortisation, net	4	(69.3)	(61.4)
Provision and impairment loss, net		(68.4)	(20.3)
Other income and expenses	4	(22.6)	(13.1)
OPERATING PROFIT (LOSS)		(65.6)	56.2
Financial debt cost	12.1	(81.7)	(78.4)
Income from cash and cash equivalents	12.1	0.5	0.4
NET FINANCIAL DEBT COST	12.1	(81.2)	(78.0)
Other net financial income and expenses	12.2	(8.7)	(4.1)
NET FINANCIAL EXPENSES	12	(89.9)	(82.1)
Income tax expenses	14	(30.3)	(20.1)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(185.8)	(46.0)
Net income (loss) from discontinued operations	2.2.1	16.9	(1.6)
NET INCOME FOR THE PERIOD		(168.8)	(47.6)
Attributable to owners of the company		(172.1)	(52.1)
Attributable to non-controlling interests		3.2	4.5

** In compliance with IFRS 5, in order to disclose the consolidated income statement comparative for the year ended as of December 31, 2022, the consolidated income statement for the year ended as of December 31, 2021 has been restated to disclose the discontinued operations separately from the continuing operations (see Note 2.2 Discontinued operations).*

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

in millions of euros

	December 31, 2022	December 31, 2021
NET INCOME (LOSS) FOR THE PERIOD	(168.8)	(47.6)
OUT OF WHICH NET INCOME (LOSS) FROM DISCONTINUED OPERATION	16.9	(1.6)
OTHER ITEMS OF COMPREHENSIVE INCOME SUBSEQUENTLY RELEASED TO NET INCOME	(5.6)	18.2
Foreign exchange gains & losses	(5.6)	18.2
OTHER ITEMS OF COMPREHENSIVE INCOME NOT SUBSEQUENTLY RELEASED TO NET INCOME	(0.1)	(0.1)
Actuarial gains & losses on pension obligations	(0.1)	(0.1)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(5.7)	18.1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(174.5)	(29.5)
ATTRIBUTABLE TO OWNERS OF THE COMPANY	(177.7)	(33.9)
ATTRIBUTABLE TO NON-CONTROLLING INTEREST PARTIES	3.2	4.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS in millions of euros	Note	December 31, 2022	December 31, 2021
Goodwill	5.1	523.2	1,062.8
Intangible assets	5.2 - 13	10.7	62.8
Property, plant and equipment	5.3 - 13	128.8	169.1
Other non-current financial assets	5.5	20.7	38.6
Investments in associates	5.4	-	0.3
Deferred tax assets	5.6	59.3	83.8
NON-CURRENT ASSETS		742.7	1,417.4
Inventories	6.1	4.2	47.8
Prepayment to suppliers	6.2	6.4	6.3
Trade receivables	6.3	218.3	342.6
Current tax assets		4.2	6.3
Other receivables	6.3	88.1	173.0
Cash and cash equivalents	6.5	91.1	157.0
CURRENT ASSETS		412.3	733.0
Assets held for sale and discontinued operations	2.2.2	821.7	0.0
TOTAL ASSETS		1,976.7	2,150.3

EQUITY AND LIABILITIES in millions of euros	Note	December 31, 2022	December 31, 2021
Equity			
- Share capital	7.1	114.6	114.6
- Share capital premium		22.7	22.7
- Accumulated results		(372.2)	(319.8)
- Other comprehensive income	7.2	(9.8)	(3.9)
- Net income for the period		(172.1)	(52.1)
Equity attributable to owners of the company		(416.8)	(238.4)
Non-controlling interests		25.7	20.4
TOTAL EQUITY		(391.1)	(218.0)
Non-current financial liabilities	9.4 - 10	1,282.0	1,309.5
Provisions for pensions	8.1	23.9	27.2
Provisions for other employee benefits	8.1	10.4	6.0
Deferred tax liabilities	5.6	5.6	9.5
NON-CURRENT LIABILITIES		1,321.9	1,352.1
Prepayments from customers	11.1	13.9	9.0
Trade payables	11.1	209.7	325.3
Other provisions	8.2	26.1	60.6
Other current liabilities	11.1	390.8	502.2
Liabilities related to payroll tax credit prefinancing	11.1	-	31.4
Current tax liabilities	11.1	5.7	10.0
Current portion of financial liabilities	9.4 - 10	141.4	71.6
Financial instruments	9.4 - 10	1.5	2.2
Shortterm bank loans and overdrafts	10 - 11.2	10.1	3.8
CURRENT LIABILITIES		799.2	1,016.2
Liabilities related to assets held for sale and discontinued operations	2.2	246.7	
TOTAL EQUITY AND LIABILITIES		1,976.7	2,150.3

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros		December 31, 2022	December 31, 2021
A - NET CASH FROM OPERATING ACTIVITIES			
Net income (loss) from continuing activities		(185.8)	(46.0)
Net income (loss) from discontinued operation		*16.9*	*(1.6)*
Elim. Operating depreciations, Amortisation, provisions & impairment losses		162.8	111.9
Elim. Gains/ losses on disposal		(11.8)	16.9
Elim. Other non-cash items		(0.2)	(0.0)
Operating cash flow before changes in working capital		(18.0)	81.2
Elim. Net finance costs		86.3	81.2
Elim. Income tax expense		33.0	23.2
Elim. Net other financial expenses		7.1	6.2
Operating cash flow before changes in working capital, net financial debts and income tax expenses		108.4	191.9
Change in operating working capital (including change in deconsolidated Factoring)		10.0	(2.8)
Increase/Decrease in Factoring deposit		(3.7)	0.8
Income taxes paid		(16.7)	(26.6)
NET CASH FROM OPERATING ACTIVITIES	A	98.0	163.4
Out of which net operating cash from discontinued operations		46.7	69.3
B - NET CASH USED IN INVESTING ACTIVITIES			
Purchases of intangible assets, property, plant & equipment		(51.6)	(43.3)
Proceeds on disposal of intangible assets, property, plant & equipment		6.8	2.3
Purchases of consolidated companies (net of cash acquired)		(32.3)	(0.6)
Sales of consolidated companies (net of cash sold)		(1.0)	(7.2)
Other cash flows from investing activities		(1.1)	(2.9)
NET CASH USED IN INVESTING ACTIVITIES	B	(79.3)	(51.7)
Out of which net cash used in investing activities from discontinued operations		(43.4)	(19.5)
C - NET CASH USED IN FINANCING ACTIVITIES			
Change in capital		-	(12.4)
Dividends paid during the year		(1.2)	(5.0)
Increase in borrowings		114.0	32.6
Decrease in borrowings		(89.2)	(118.9)
Net financial interest paid		(81.8)	(76.2)
Foreign exchange (losses)/gains on financing activities		(7.1)	(6.2)
Other cash flows from financing activities		12.6	(2.1)
NET CASH USED IN FINANCING ACTIVITIES	C	(52.7)	(188.3)
Out of which net cash used in financing activities from discontinued operations		(13.6)	(33.1)
IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS	D	(11.3)	2.3
CHANGES IN NET CASH AND CASH EQUIVALENTS	(A + B + C + D)	(45.2)	(74.3)
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		153.2	227.5
Net cash flows for the period		(45.2)	(74.3)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD*		108.0	153.2
Out of which cash and cash equivalents at the end of the period from discontinued operations		27.0	

*. * Includes cash and cash equivalent of both continuing and discontinued activities*

STATEMENT OF CHANGES IN EQUITY

in millions of euros	Share capital and share premium	Reserves/ Retained earnings	Consolidated net income	Foreign exchange reserves & Other comprehensive income	EQUITY attributable to owners of the company	EQUITY attributable to non controlling interests	TOTAL EQUITY
AS OF DECEMBER 31, 2020 - RESTATED	149.7	(278.0)	(28.3)	(22.2)	(178.7)	16.1	(162.7)
Net income			(52.1)		(52.1)	4.5	(47.5)
Income and expenses recognised directly in equity		(0.1)		18.3	18.2	(0.1)	18.1
TOTAL COMPREHENSIVE INCOME		(0.1)	(52.1)	18.3	(33.9)	4.4	(29.5)
Change in share capital & share premium	(12.4)				(12.4)		(12.4)
Appropriation of FY 2020 Net income		(28.3)	28.3				
Dividends paid		(5.0)			(5.0)		(5.0)
Changes in consolidation scope and transactions with non-controlling interests		(8.4)			(8.4)	(0.0)	(8.4)
AS OF DECEMBER 31, 2021	137.3	(319.8)	(52.1)	(3.9)	(238.6)	20.4	(218.0)
Net income			(172.1)		(172.1)	3.2	(168.8)
Income and expenses recognised directly in equity				(5.6)	(5.6)	(0.1)	(5.7)
TOTAL COMPREHENSIVE INCOME			(172.1)	(5.6)	(177.7)	3.2	(174.5)
Change in share capital & share premium							
Appropriation of FY 2021 Net income		(52.1)	52.1				
Dividends paid						(1.2)	(1.2)
Changes in consolidation scope and transactions with non-controlling interests		(0.3)		(0.3)	(0.6)	3.2	2.6
AS OF DECEMBER 31, 2022	137.3	(372.2)	(172.1)	(9.8)	(416.8)	25.7	(391.1*)

**Out of which -€222 million pertains to the reserves attributable to the owners of the company relating to the discontinued operations in the UK, Ireland, Asia and Aktrion and €5.3 million attributable to non-controlling interests relating to the discontinued operations in Asia.*

APPENDICES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1
GENERAL INFORMATION AND SIGNIFICANT EVENTS

The terms "the Atalian Group" and "the Group" refer to the parent company, La Financière Atalian, and its consolidated subsidiaries and equity method affiliates. The term "the Company" refers solely to the parent company, La Financière Atalian.

FJ International Invest S.A., wholly owned by Mr. Franck Julien, is the Group ultimate controlling entity, whose registered office is located at 239 avenue Winston Churchill 1180 Brussels (Uccle) Belgium. La Financière Atalian is owned, in majority, by an intermediate holding: Atalian Holding Development and Strategy (AHDS).

La Financière Atalian – the Group holding company – is a simplified joint-stock company incorporated under French law (société par actions simplifiée), whose registered office is located at 56 rue Ampère, 75017 Paris, France. The Atalian Group provides cleaning services and other support services to companies and organisations, in France and internationally, in total the Group is active in 31 countries.

At December 31, 2022, the Company's share capital was composed of 114,606,584 ordinary shares with a par value of €1 each. A breakdown of the Company's share capital is provided in Note 7 – "Equity".

The Group financial statements have been approved by the Chairman on April 26, 2023 and will be submitted for approval at the subsequent annual general meeting.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount. The consolidated financial statements are presented in millions of euros unless otherwise specified.

1.1. SIGNIFICANT EVENTS DURING 2022 FINANCIAL YEAR

1.1.1. Acquisition by CD&R of Atalian Group's operations in the UK, Ireland, Asia and Aktrion

On December 16, 2022, La Financière Atalian announced that the company's shareholder has decided not to exercise its option to sell all of La Financière Atalian's issued share capital and voting rights to an affiliate of Clayton, Dubilier & Rice ("CD&R"). Instead, the same day the Company has signed an agreement with CD&R, under which the funds managed and/or advised by CD&R acquired Atalian Group's operations in the UK, Ireland and Asia, including Aktrion. With a turnover of €1,075 million as of December 31, 2022, the enterprise value of these entities is €735 million.

UK and Ireland, Aktrion and Asian entities represent geographical areas of operations. Consequently, and following Atalian's engagement to dispose these entities through a joint share disposal agreement, the operation meets the definition of Discontinued Operations as per IFRS 5 (see Note 2.2. Discontinued Operations).

1.1.2. Disposal of the Group's African operations, Vietnam and Lebanon

Group's entities located in Lebanon, Russia, Senegal, Morocco, Ivory Coast, Myanmar, Belarus and one French entity were initially to be carved out in the framework of the full disposal of the Group to CD&R. Thus, their assets and liabilities were classified as Held for Sale as at September 30, 2022, the IFRS 5 criteria being met at that time.

While the company's shareholder has decided not to exercise its option to sell all of La Financière Atalian's issued share capital and voting rights to CD&R, the decision to dispose of several entities already in this initial carve-out project (Morocco, Senegal and Ivory Coast) was maintained and the shares of these entities were sold to AHDS Management on December 23, 2022. With a turnover of €31 million in 2022, the enterprise value of these entities is €1 million, its disposal resulting in a profit of €4.4 million (see Note 2.3.6 Related parties).

On June 30, 2022, Atalian sold its 50.49% share in Atalian Global Services Vietnam Pte Ltd, Singapore in Vietnam for an amount of SGD1.8 million, equivalent to €1.2 million, resulting in a loss of €(0.5) million.

On December 9, 2022, the Atalian Group sold its 59.42% share in MTO Lebanon to AHDS Management for an amount of 2 euros.

At the same time of theses disposals, Group entities have granted debt waivers for an amount of €8.4 million (see Note 2.3.6 Related parties).

These operations are in line with the strategy of the Group which is to focus its activity mainly on its European activities.

1.1.3. Litigations

On January 17, 2022, the public prosecutor's office of Paris and the company La Financière Atalian (LFA) concluded a judicial convention of public interest (CJIP), in application of the articles 41-1-2 and 180-2 of the Code of Criminal Procedure. At the end of the public hearing of February 7, 2022, this convention was approved by way of an order by the President of the judicial tribunal. The facts, objects of the convention, were revealed in the framework of judicial inquiry opened on January 10, 2015 and which qualify to laundering of the infringement stated and penalized under paragraph 1 of the article 1743 of the tax code, fraud and fraud attempt. According to the agreed terms of this judicial convention of public interest (CJIP), the Group paid €15 million on April 4, 2022 to the French public Treasury (Ministry of Finance) and reversed the corresponding provision booked in its accounts as at December 31, 2021 (see Note 8.2. Other provisions). In order to preserve the corporate interest of the Group, the ultimate shareholder paid a sum of €8,245,867 in March 2022 to the Group; this amount, paid as a provision for any damages awarded by the Court to the Group companies is accounted for as an advanced payment in the line Other current payables of the Group statement of financial positions (see Note 2.3.6 Related parties). An additional amount of €471,105 has been paid on April 28, 2022 for damages suffered by Vinci Energies France and Vinci S.A., civil parties.

In addition, the Group paid €438,920 on March 15, 2022 for the Anti-Corruption French Agency (AFA) 2 years compliance monitoring to the French public Treasury (Ministry of Finance).

The Group will be under AFA monitoring until February 17, 2024 and is currently following the recommendations of the AFA to adapt its compliance program.

This action plan mostly comprises of the update of our overall compliance program, in line with the main pillars of the AFA recommendations: reinforcement of our governance around the monitoring and approval of the anti-corruption system deployed at the group's boundaries, update of our anticorruption and influence peddling risk mapping, update the content of our anti-corruption code of conduct and its related policies, enhancement of our anti-corruption training system, reinforcement of our anti-corruption accounting controls, and deployment of an integrity assessment system for third parties based on the results of the corruption risk mapping.

1.1.4. Impairment of the US Goodwill

Considering the negative performances of its US affiliates in FY 2022 which was particularly impacted by reorganization efforts and based on its risk management approach, the Group considered that a triggering event appeared, resulting in a separate impairment test of its US contribution which used to be tested through the International group of Cash Generating Units in accordance with IAS 36 Impairment of assets requirements.

The recoverable amount of its US contribution has been assessed. It results in an impairment loss of €(71.8) million fully allocated to the Goodwill of its US contribution (see Note 5.1 Goodwill). A position of €6.5 million of deferred tax assets has also been written down.

1.1.5. Operating loss

As of December 31, 2022 the Group recognized an Operating loss of €(65.6) million. Operating performances were impacted by the loss of the contribution of non-recurring Covid-19 related special works of 2021, the increased attrition in France and higher losses in the USA.

In addition, some significant specific events also negatively impacted the Group financial statements, of which the impairment of the US Goodwill for €(71.8) million (see Note 1.1.4) and non-recurring expenses in relation with the deal with CD&R for €(6.4) million along with some M&A termination fees for €(5.8) million (see Note 4).

1.1.6. Other scope movements

On May 25, 2022, the Atalian Group, through its subsidiary UK Atalian Servest, acquired the UK Incentive FM Group for a purchase price of £31.9 million equivalent to €37.4 million.

Incentive FM Group provides facility management, cleaning, security, front of house and technical services as well as landscaping, waste management and consultancy.

It has been fully consolidated since the 25 May 2022. A goodwill of €28.0 million was recognized, following Purchase Price Allocation. Incentive FM activities are part of the operations disposed of to CD&R, thus they are accounted for as Discontinued operations as of December 31, 2022.

1.1.7. Minority interest

In the year 2022, the Group Atalian acquired 1% of Atalian International S.A. share capital increasing its participation up to 100%. The Group also bought minority interest in Singapore (10%) and Thailand AFM (6.25%), to be noted that these entities have been subsequently disposed in 2022.

1.1.8. Legal structure

Legal mergers took place during 2022 to further simplify and optimize the French and Belgian legal structure organization.

1.1.9. Conflict in Ukraine and Russian operations

Russia's invasion of Ukraine and the sanctions that followed led the Atalian Group to assess the potential impacts of the conflict on the Group's business activities, outlook and financial position in Russia and Belarus.

Atalian has no operations in Ukraine and continued operating in Russia and Belarus over the year 2022. In 2022, revenue from both Russian and Belarusian operations represent for around 1% of the Group's consolidated net sales. As at December 31, 2022 the events and circumstances related to the conflict in Ukraine have not led the Group to reassess the value of its Russian and Belarussian subsidiaries assets and liabilities. The impact of the conflict in Ukraine on its Russian and Belarusian operations remained limited while the Group still does not anticipate that such events may have a material adverse impact on the consolidated financial statements of the Group. The group also respects the ban on transferring cash to or from Russia, while systematic screening of new customers is carried out with regard to international sanctions.
In terms of people, the activity of Group does not enable a transfer or relocation of all Russian-based teams. Nonetheless, the Atalian Group continues to thoroughly monitor potential impacts from the crisis on a regular basis to head off any risks the Group and its salaries could be exposed to.

1.2. SIGNIFICANT EVENTS AFTER DECEMBER 31, 2022

1.2.1. Closing of the disposal to CD&R of the Group operations in the UK, Ireland, and Asia, including Aktrion

On February 28, 2023 Atalian announced that it has completed the sale to a company held directly and/or indirectly by funds managed and/or advised by CD&R of its activities in the UK, Ireland and Asia, and including Aktrion, pursuant to the sale agreement which signature was announced on December 16, 2022 (see Note 1.1.1. Acquisition by CD&R of Atalian Group's operations in the UK, Ireland, Asia and Aktrion).

This operation confirmed an enterprise value at €735 million for the entire scope sold. The amount paid by CD&R is circa €753 million; it includes a cash payment of approximately €698 million and a payment in a form of a Vendor Loan Note of €55 million, bearing interest at an annual interest rate of 7% (capitalized annually) and for a period of two years.

Atalian plans to use the final net proceeds of the disposal for the deleveraging of Atalian and its subsidiaries, in particular within the framework of the partial reimbursement of the €625 million of senior bonds maturing in 2024.

In addition, the Group has reimbursed its revolving credit facility according to its maturity on April 22, 2023.

1.2.2 Litigations

La Financière Atalian ("LFA") is involved in a litigation with a third party claiming a €10.7 million success fee to AHDS and LFA following the disposal of some of its assets to a company controlled by CD&R which was completed on February 28, 2023.
In the context of that dispute, the third party obtained precautionary seizure enforcement on LFA bank accounts and filed a summons for proceedings of LFA and AHDS before the Commercial Court in Paris seeking a solidary sentence to pay €10.7 million. As a consequence to the precautionary seizures, a cash amount of €21.7 million is restricted as of April 26, 2023. LFA and AHDS refer to the enforcement judge at Paris Criminal Court in order to release completely the precautionary seizure and condemn the plaintiff to pay a compensation of approximately €0.8 million.

La Financière Atalian and AHDS contest in substance to be liable for any amount to this third party in the absence of any mandate linked with the transaction completed par La Financière Atalian on February 28, 2023.

1.3. GOING CONCERN

On February 28, 2023, La Financière Atalian completed the sale of its UK, Irish and Asian operations, including Aktrion, to CD&R for a consideration paid of €753m consisting of a cash payment of €698m and a payment in the form of a €55m 2-year Vendor Loan Note.

In 2023, following this sale, the management will focus its development efforts on becoming a market leader in the field of facility management. Considering the inflationary environment, Group management implemented a transformation plan focused on passing on the impact of inflation to its customers and adapting its structure to restore the historic profitability of its French operations.

With regards to the United States, the plan launched in 2022 leads to a progressive improvement of the contractual performance and a return to profitability expected in 2023. Nonetheless, the Group's management continues to review all possible options and does not exclude the disposal of its US operations as part of a valuation of its business portfolio

The new forecast and medium-term business plan have factored all initiatives and the new ambitions for the Group and considered several risk factors that may affect the achievement of such ambition, in particular the impact of stronger inflationary pressure or a delay in the execution of productivity measures.

Furthermore, Group management, with the support of an expert investment bank, continues its reflection regarding its refinancing strategy with the objective of allocating the net disposal proceeds in compliance with the company's contractual commitments before February 28, 2024.

As part of the determination of this refinancing strategy, uncertainties relating to the achievement of the business plan objectives, to the pace of its execution, and to a possible tightening of access to credit on the financial markets are to be considered, as well as their potential effects on the implementation of this refinancing.

The current cash position, the short- to medium-term business forecast adjusted to take into account risk factors related to the business, as well as the financial income generated by the investment of the proceeds of the sale, should enable La Financière Atalian and its subsidiaries to meet their financial commitments. On such basis, we therefore consider it appropriate to prepare our financial statements as at 31 December 2022 on a going concern basis.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (IFRS)

2.1. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2022 are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.
In compliance with Regulation (EC) No. 1606/2002 of the European Parliament and Council dated July 19, 2002, these consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as at the preparation date, including IASs, IFRSs and the interpretations issued by IFRIC and its predecessor the SIC.

The standards and interpretations adopted by the European Union can be viewed on the European Commission's website at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

Amendments to IFRS standards and accounting policies

Effective starting January 1, 2022 the Group decided not to capitalise anymore the costs of the uniforms purchased, this decision led to an accelerated amortisation of the residual net book value of uniforms capitalised as at December 31, 2022 for a total amount of €(6.0) million of which €(1.8) million allocated to Discontinued operations (see Note 5.3 Property, Plant and Equipments). Except for this specific accounting matter, the Company's accounting policies and methods are unchanged compared to December 31, 2021. The implementation of other amended standards listed here below has no material impact on the consolidated financial statements as of December 31, 2022.

Amendments effective since January 1, 2022

Amendment to IAS 37, Provisions, Contingent Liabilities and Contingent Assets, Onerous contract – Costs of Fulfilling a contract which clarifies that when assessing if a contract is onerous, the cost of fulfilling it includes all costs directly related to the contract.

Amendments to IFRS 3, Business Combinations which updates references in IFRS 3 to the revised 2018 Conceptual Framework, introducing new exceptions to the recognition and measurement principles in IFRS 3.

Amendments to IAS 16, Property, Plant and Equipment (PPE) - Proceeds before Intended Use introducing new guidance regarding proceeds from selling items (e.g. samples) before the related PPE is available for its intended use which can no longer be deducted from the cost of PPE.

Annual Improvements to IFRS Accounting Standards 2018–2020 Cycle with respective amendments to IFRS 1 (subsidiary electing to apply IFRS 1 to measure CTD for all foreign operations using the amount reported by the parent), IFRS 9 (Financial Instruments, clarifying which fees to include in the '10%' test) and illustrative examples accompanying IFRS 16.

Amendments effective starting January 1, 2023

Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2 - Making Materiality Judgements Disclosure of Accounting Policies which continues the IASB's clarifications on applying the concept of materiality.

Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates which clarifies how companies distinguish changes in accounting policies from changes in accounting estimates.

Amendments to IAS 12, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction which clarifies how companies account for deferred taxes on transactions such as leases and decommissioning obligations.

The Group did not apply any of these amendments by anticipation as at December 31, 2022 and is currently assessing the impact of such policies on its financial statements.

Use of estimates

The preparation of these consolidated financial statements required Group Management to use certain estimates and assumptions that may have an impact on the reported values of assets and liabilities at the balance sheet date, and on items of income and expense for the period. These estimates and assumptions are reviewed on a continuous basis by reference to experience, as well as various other factors considered as reasonable which form the basis for assessing the carrying amount of assets and liabilities. Actual results could differ significantly from these estimates if different assumptions or circumstances apply.

The estimates and assumptions that may have a significant impact on the assets & liabilities and income & expense items in the consolidated financial statements are described below.

• Going concern

The Group considered estimates regarding its assesment of the going concern, especially regarding the new forecasts and mid-term business plan which factored several risks that may affect the achievement of the Group's performance, in particular the impact of stronger inflationary pressure or the delay in the execution of the productivity measures.

• Leases

Some lease contracts entered into by the Group include extension options which require an assessment of whether such option will be exercised. If it is reasonably certain that an extension option will be exercised, the period covered by the extension option will be included in the lease liability. As part of such judgment, the Group considers all relevant facts and circumstances that create an economic incentive for it to exercise an extension option, including any expected changes in facts and circumstances from the start date until the exercise date of the option.

• Revenue recognition

Mainly in our Multitech and Project business control of rendered services is transferred over time to the customer and therefore revenue is recognised over time, i.e. under the percentage of completion method. For the application of the overtime method, the measurement of progress towards complete delivery of a contractual obligation is based on inputs, i.e. cost incurred.

• Goodwill impairment testing

Goodwill is tested for impairment at least annually, at the same time each year, using the method described in Note 5.1 below. The recoverable amount of cash-generating units (CGUs) is determined using a discounted cash flow valuation method and is based on estimates of future cash flows.

• Provisions for pension and other long-term employee benefit obligations

The present value of the Group's pension and other long-term employee benefit obligations depends on the actuarial assumptions adopted at each reporting date, including the discount rate. Changes in these assumptions affect the carrying amount of pension and other long-term employee benefit obligations.
At each reporting date the Group determines the discount rate to be used for measuring these obligations by reference to market yields on bonds issued by companies with high credit ratings assigned by well-known rating agencies, and which are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the terms of the benefit obligations.
The Group also uses other assumptions that notably depend on market conditions (refer to Note 8).

• Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to realize the related tax benefit, based on tax forecasts drawn up for each taxable entity or tax consolidation group (refer to Note 5.6). As of December 31, 2022, the recoverability of deferred tax assets has been assessed based on the latest operating plan, which has also been used for the purposes of goodwill impairment testing.

• Other provisions

These provisions mainly concern provisions for legal risks and restructuring costs.
A provision is recorded when the Group has a present obligation resulting from a past event, the amount of the obligation can be reliably estimated, and it is probable that an outflow of resources will be required to settle the obligation. The provisions are determined and updated based on assumptions made by the Group at each reporting date and are discounted if the time value of money is material. Provisions are incurred under the line item "Provision and Impairment loss, net" of the consolidated income statement.

• Hyperinflation in Turkey

With a 3-year cumulative rate over 100%, since February 2022, Turkey was included in the list of hyperinflationary economies by the International Practices Task Force (IPTF) of the "Center for Audit Quality" in March 2022. IAS 29 requires that the financial statements of an entity with a functional currency that is hyperinflationary to be restated for the changes in the general purchasing power of the functional currency. This restatement results in a gain or loss on the net monetary position which is recorded as net income or expenses under "Other financial income and expenses." In addition, the financial statements of subsidiaries operating in those countries are translated at the closing rate of the period in question, in accordance with IAS 21. The Group applied IAS 29 for the first time to Turkey's financial statements as at 31 December, 2022. The Group used the consumer price index (CPI) to remeasure its income statement, cash flows and non-monetary assets and liabilities, up 64% compared with December 2021, and an EUR/TRY parity (17.62) for the translation of the income statement of its Turkish subsidiary. In accordance with IAS 29, a €1.9 million income was recorded in net income under "Other financial income and expenses" (see Note 12.2) as of December 31, 2022.

• Others

Notwithstanding the lasting impacts of COVID-19 pandemic in Asia and the outbreak of the conflict in Ukraine, the Group managed to maintain business continuity during the year, and its estimates and judgments therefore remain valid. See Note 1.1.9. regarding the group operating activities and exposure in Russia.

2.2. DISCONTINUED OPERATIONS

As indicated in Note 1.1.1 on December 16, 2022 the company has signed an agreement with CD&R, under which the funds managed and/or by CD&R acquired Atalian Group's operations in the UK, Ireland and Asia, including Aktrion. UK and Ireland (identified as a sole Cash Generating Units in the framework of the impairment testing process), Aktrion and Asian entities represent geographical areas of operations. Consequently, following to Atalian's engagement to dispose of these entities through a joint share disposal agreement, the operation falls under the scope of a Discontinued Operations as per IFRS 5.

The criteria for classification as discontinued operations being met, the following accounting treatments have been enacted in the Group financial statements as at December 31, 2022:

- The non-current assets of the disposed operations are classified as held for sale on a separate line of the consolidated balance sheet and measured at the lower of the carrying amount and fair value less costs to sell,
- The depreciation of the related fixed assets ceased as of December 16, 2022,
- The sum of the post-tax profit or loss of the discontinued operation is presented as a single amount on the face of both the consolidated income statement and the statement of comprehensive income,
- The net cash flows attributable to the operating, investing, and financing activities of the discontinued operations is presented separately on the face of the cash flow statement.

These operations were not previously classified as held-for-sale or as discontinued operation, the comparative consolidated income statement and statement of comprehensive income have been restated to disclose the discontinued operations separately from continuing operations. Subsequent to the disposal, the Group will maintain some relations with the discontinued operations in terms of general support services rendered towards the entities disposed of through a transition service agreement signed on February 28, 2023. Consequently, intra-group transactions in relation with management fees have been allocated to both continued and discontinued operations to reflect the continuity of such interaction.

2.2.1. Net Income / loss from discontinued operations

In accordance with IFRS5, all items of the income statement of the operations in the UK and Ireland, Aktrion and Asia are presented in one single line "net income from discontinued operation" in the financial statement as of December 31, 2022.

Breakdown of Atalian's net result of its activities in UK, Ireland, Aktrion and Asia at December 31, 2022

in millions of euros	December 31, 2022	December 31, 2021
CONSOLIDATED REVENUE	1,074.6	913.5
Raw materials & consumables used	(283.2)	(237.2)
External expenses	(41.9)	(47.4)
Staff costs	(679.1)	(557.7)
Taxes (other than on income)	(4.3)	(6.9)
Other operating income	7.0	5.8
Other operating expenses	(9.0)	(10.7)
OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISION AND IMPAIRMENT LOSS	64.1	59.4
Depreciation and amortization, net	(32.9)	(30.5)
Provision and impairment loss, net	(4.4)	(0.7)
Other income & expenses (non-recurring)	(2.8)	(15.3)
OPERATING PROFIT	24.0	12.9
Net financial debt cost	(5.1)	(3.2)
Other net financial expenses	0.7	(8.2)
INCOME BEFORE TAX	19.7	1.5
Income tax expenses	(2.8)	(3.1)
Share of net income (loss) of other equity-accounted entities	0.0	0.0
NET INCOME FOR THE PERIOD	16.9	(1.6)
Attributable to owners of the company	17.3	(1.6)
Attributable to non-controlling interests	(0.4)	0.0

The Group's consolidated income statement showed a net income from discontinued operation of €16.9 million as of December 31, 2022 and €(1.6) million as of December 31, 2021. The respective contribution of the UK and Ireland, Aktrion and Asia are €18.3 million, €2.5 million and €(3.9) million in 2022 and €16.4 million, €1.1 million and €(19.1) million in 2021. As explained above, this result contains intra company expenses relating to services rendered by the Atalian Group which will carry on after the transaction for respectively €(6.4) million and €(6.8) million as of December 31, 2022 and 2021 included in the other operating expenses.

2.2.2. Assets and liabilities held for sale

In accordance with IFRS5, the assets linked with the discontinued operations in the UK and Ireland, Aktrion and Asia were classified as "Assets held for sale and discontinued operations" and "Liabilities related to assets held for sale and discontinued operations" in the financial statement as at December 31, 2022.

Breakdown of Atalian's assets and liabilities held for sale in the UK, Ireland, Aktrion and Asia as at December 31, 2022

in millions of euros	December 31, 2022
Goodwill	470.6
Intangible assets	64.7
Property, plant and equipment	53.0
Other non-current financial assets	18.4
Deferred tax assets	11.1
NON-CURRENT ASSETS	617.8
Inventories	40.9
Prepayment to suppliers	0.7
Trade receivables	103.2
Current tax assets	1.5
Other receivables	30.4
Cash and cash equivalents	27.1
CURRENT ASSETS	204.0
TOTAL ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	821.7
Non-current financial liabilities	28.1
Other non-current provisions	1.9
Deferred tax liabilities	14.8
NON-CURRENT LIABILITIES	44.8
Current tax liabilities	2.3
Trade payables	91.1
Current provisions	1.0
Other current liabilities	107.5
Bank overdrafts and other cash position items	0.1
CURRENT LIABILITIES	201.9
TOTAL LIABILITIES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	246.7
NET ASSET DIRECTLY ASSOCIATED WITH DISPOSAL GROUP	575.0

2.2.3. Cash flow from discontinued operations

The change in cash and cash equivalents relating to Atalian's operations held for sale included in the Group's cash flow statement breaks down as follows:

in millions of euros	December 31, 2022	December 31, 2021
Net cash from operating activities	46.7	69.3
Net cash from (used in) investing activities	(43.4)	(19.5)
Net cash from (used in) financing activities	(13.6)	(33.1)
Impact of Forex and other	(2.2)	(5.4)
NET CHANGE IN CASH FROM DISCONTINUED OPERATIONS	(12.5)	11.3

2.3. CONSOLIDATION

2.3.1. Financial year-end

The Group's companies have been consolidated based on their financial statements for the twelve-month period ended December 31, 2022. Companies acquired during the financial year are included in the income statement as from the date on which the Group effectively acquired control. Similarly, companies disposed of during the financial year have only been included in the income statement until the date on which the Group effectively lost control. The year ended December 31, 2022 consisted of twelve months.

2.3.2. Consolidation methods and scope of consolidation

Subsidiaries

Subsidiaries are the companies over which La Financière Atalian has control, either directly or indirectly. Control is characterised by power over the investee with the current ability to direct the relevant activities and an exposure or rights to variable returns with the ability to use its power over the investee to affect the amount of the investor's returns. They are consolidated with fully consolidated method, taking into account the existence and effect of the voting rights of non-controlling interests. Control is presumed to exist when the Group has the power to govern an entity's financial and operating policies so as to obtain benefits from its activities, generally as a result of a shareholding representing more than a half of the voting rights. Control may also arise when a contract exists entitling the Group to govern an entity's financial and operating policies, or when the Group is able to govern the financial and operating policies by virtue of de facto control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated at consolidation level except for intra-group transactions in relation with management fees allocated to both continued and discontinued operations as specified in Note 2.2 Discontinued operations.

Subsidiaries are fully consolidated from the date when control is transferred to the Group and are deconsolidated from the date when control ceases.

The profit or loss of subsidiaries is allocated between the Group and non-controlling interests based on their percentage interest in the subsidiary concerned, even if this results in the recognition of negative amounts.

A list of La Financière Atalian's subsidiaries is provided in Note 18.

Associates

Associates are entities over which the Group has significant influence but not control.
Investments in associates are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill (net of any accumulated impairment losses) identified at the time of acquisition, which is not tested separately. If the Group's interest in an associate is reduced to zero, additional losses are provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations on behalf of the associate.

The Group's share of the profit or loss of associates is recognised in the consolidated income statement, and its share of movements in other comprehensive income is recognised in other comprehensive income. Unrealised gains on transactions between the Group and its associates are eliminated pro rata to the Group's interest in the associates concerned.

A list of the Group's associates is provided in Note 18.

Accounting policies of subsidiaries and associates were changed when necessary to ensure consistency with the policies adopted by the Group.

Other investments

Shares in companies over which La Financière Atalian does not exercise any influence are recognised as investments in non-consolidated companies on the line "Other Non-Current financial assets" and measured at fair value, through the income statement.

Number of entities and changes in the scope of consolidation

	At 31/12/22	At 31/12/21
Fully consolidated companies	178	186
Companies accounted for by the equity method	1	3
	179	189

The change in the number of entities and in the scope of consolidation is mainly driven by the internal merger of Group entities in France and Belgium, the acquisition of the Incentive FM Group, the sale of Vietnam, MTO Lebanon, Morocco, Senegal, and Ivory Coast.

2.3.3. Translation of the financial statements of foreign subsidiaries

The results and financial position of consolidated subsidiaries that have a functional currency other than euro are translated into euros as follows: (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet (except for equity which is translated at historical rates), and (ii) income and expenses and cash flow statement items are translated at average exchange rates for the year.
All resulting exchange differences are recognised under "Foreign exchange gains and losses" in other comprehensive income.

In Lebanon, the cumulative rate of inflation over the last three years is in excess of 100%, based on a combination of indices used to measure inflation in this country qualifying Lebanon as hyperinflationary economy. In the 2nd quarter of 2022, the Group has decided to use USD as functional currency for the Lebanese activities.

In Turkey, the cumulative rate of inflation over the last three years is in excess of 100%, based on a combination of indices used to measure inflation in this country qualifying Turkey as hyperinflation economy. The Group applied IAS 29 for the first time to Turkey's financial statements as at December 31, 2022 (see Note 2.1. Accounting Policies).

Main currencies as of December 31, 2022 and in average in FY 2022 are the followings:

		2022		2021	
Exchange Rates		**Average Rate**	**Closing Rate**	**Average Rate**	**Closing Rate**
Pound Sterling	↘	0.8546	0.8869	0.8598	0.8403
US Dollar	↗	1.0454	1.0666	1.1829	1.1326
CEE					
Czech Koruny	↘	24.5750	24.1160	25.6430	24.8580
Croatin Kuna	↘	7.5359	7.5356	7.5285	7.5156
Hungarian Forint	↘	394.550	400.870	358.54	369.19
Polish Zloty	↘	4.6989	4.6808	4.5651	4.5969
Russian Ruble	↗	70.733	77.590	87.178	85.300
New Turkish Lira	↘	17.622	19.965	10.510	15.233
Asia					
Singapore Dollar	↗	1.4436	1.4300	1.5892	1.5279
Thai Baht	↗	36.784	36.835	37.834	37.653
Indonesian Rupiah (thousand IDR)	↗	15 571	16 520	16 922	16 100
Malaysian Ringgit	↗	4.6173	4.6984	4.9017	4.7184
Philippine Peso	↗	57.255	59.320	58.303	57.763
Africa & Middle East					
Moroccan Dirham	↘	10.695	11.166	10.627	10.519

↗ *On average (in 2022 versus 2021), Currency has strengthened against €*

↘ *On average (in 2022 versus 2021), Currency has weakened against €*

2.3.4. Translation of foreign-currency transactions

Foreign-currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the closing rate. Any resulting exchange differences are recognised in the income statement under the financial expenses.

In application of IAS 21, the loans constituting in substance monetary items that are part of the net investment in foreign subsidiaries were analysed in order to identify the loans whose payment is neither planned nor probable in the foreseeable future.

In compliance with IAS 21.15 and 32, exchange differences relative to a loan are recognised in other comprehensive income (OCI) and must be reclassified later to profit or loss on disposal of the net investment. Financing which qualifies as a net investment in foreign subsidiaries (currencies) concerns subsidiaries in the UK.

2.3.5. Financial risks

The local presence of the Group's activities limits its exposure to foreign exchange transactional risk and interest rate risk. Regarding foreign exchange risk on assets, Group policy is, whenever possible to back net foreign investments with foreign currency financing (as for example, to hedge UK assets with GBP Bond). Nevertheless, some exposure remains not perfectly hedged.

The foreign exchange policy aims at centralizing the foreign exchange risk at the holding level.

Certain Group entities use financial instruments for the purpose of reducing the impact of exchange rate fluctuations on their income statements. Financial assets and liabilities are recognised in the Group's consolidated financial statements at the date of the transaction corresponding to the date when the Group becomes a party to the contractual provisions of the instrument.

The Group holds derivative financial instruments to hedge its foreign currency risk exposure and its floating-interest rate debt. As of December 31, 2022, hedge accounting was applied for these derivatives.

The Group designates certain derivatives as fair value hedge, when their purpose is to eliminate the fair value risk of current cash accounts in local currency or to eliminate the fair value risk of floating-interest rate debt. They are recognised at their market value in the consolidated statement of financial position ("financial instruments"). The fair value changes of these derivatives are recognised in P&L under the line item "Other net financial income and expenses".

At December 31, 2022, the following swap contracts against euro were in place:

Foreign Currency Fair Value Hedge

Breakdown of financial instruments designated as fair value hedges:

Financial instrument	Notional amount as of December 31, 2022 by maturity				Fair value of derivatives	
in millions of euros	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Buy Spot / Sell Fwd Currency (Borrowing currency)						
USD	32.5	32.5			0.1	
HUF	0.0	0.0				0.0
PLN	2.5	2.5			0.0	
SGD	3.2	3.2				0.0
SUB-TOTAL	**38.3**	**38.3**			**0.1**	**0.0**
Sell Spot / Buy Fwd Currency (Lending currency)						
GBP	25.8	25.8				0.1
CZK	11.5	11.5			0.1	
RON	0.3	0.3			0.0	
SUB-TOTAL	**37.6**	**37.6**			**0.1**	**0.1**
TOTAL FOREIGN CURRENCY DERIVATIVES	**75.9**	**75.9**			**0.2**	**0.1**

The fair value hedges presented above mainly consist of foreign currency swaps hedging balance sheet items and mainly hedges of internal financing.

Financial instruments are used purely for hedging purposes, are set up with first rank banks and do not present any risk of illiquidity if the hedges need to be unwound.
Reports are regularly provided to the management and supervisory bodies of the companies concerning the use of these instruments, the choice of counterparties, and more generally the exposure to currency risk.

The Group also designates certain derivatives or non-derivatives financial liabilities as hedges of foreign exchange risk of net investment in a foreign operation and qualifies as Net Investment Hedge (NIH). The effective portion of changes in the fair value of these derivatives or foreign exchange gains and losses for non-derivatives is recognised in Other Comprehensive Income (OCI) and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on non-derivatives is recognised immediately in profit or loss. The amount recognised in OCI is fully or partially reclassified to profit or loss as a reclassification adjustment on disposal or partial disposal of the foreign operation, respectively.

Hedge of a net investment in a foreign operation

Financial instruments designated as net investment hedges break down as follows:

Financial instrument	Notional amount as of December 31, 2022 by maturity				Fair value of derivatives	
in millions of euros	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Buy Spot / Sell Fwd Currency (Borrowing currency)						
USD	42.2	42.2			1.0	2.6
PLN	3.9	3.9				0.1
TOTAL FOREIGN CURRENCY DERIVATIVES	**46.0**	**46.0**			**1.0**	**2.7**
GBP borrowings (bonds)	253.7		253.7			N/A
TOTAL FINANCING	**299.7**		**253.7**			

The above swaps are short term but generally renewed at maturity.
At December 31, 2022, the following interest-rate swap contracts were in place.

Interest rate fair value hedge

Breakdown of financial instruments designated as fair value hedges:

Financial instrument	Notional amount as of December 31, 2022 by maturity				Fair value of derivatives	
in millions of euros	Amount	< 1 year	1 to 5 years	> 5 years	Total assets	Total liabilities
Interest rate swap	50.0		50.0		0.9	
TOTAL INTEREST RATE HEDGES	**50.0**		**50.0**		**0.9**	

Type of financial risks to which the Group is exposed and related risk management principles

Currency risk

In general, the Group's exposure to foreign exchange risk on current commercial transactions is limited. Contracts invoiced in foreign currency give rise to expenses which are mainly denominated in the same currency. This is particularly the case for most projects and services performed outside France, for which the portion of expenses denominated in local currency is much greater than the portion denominated in euros.

As the Group operates in 31 countries, all items in the financial statements are impacted by foreign currency translation and more specifically the change in Pound sterling and US dollar.

This conversion risk results from the consolidation in euros of the financial statements of subsidiaries with different functional currencies. Any fluctuation of the exchange rate of these currencies against Euro has an impact on the amount of the Group's financial statements. The Group's main exposures are the British pound and the US dollar:

- if Euro had strengthened by 10% in relation to the Pound Sterling, the net income (loss) from discontinued operations published at December 31, 2022 would have been lower by €2.0 million.
- if Euro had strengthened by 10% in relation to the US Dollar, sales and recurring operating profit before amortisation, depreciation and provisions published at December 31, 2022 would have been lower by €14.1 and higher by €2.0 million respectively.

Interest-rate risk

Atalian is mainly exposed to interest rate risk through its factoring program and revolving credit facility line. The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing debt, including revolving credit facility and factoring program. The risk component is limited to the risk-free interest rate, excluding credit spread and other financing components. In order to hedge its exposure to changing interest rates, the Group has hedged an amount of €50.0 million for a duration of 5 years. The Group's floating-interest-rate debt represents 19% of the total Group's interest-bearing debt. The Group has put in place interest rate swaps in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interests amounts calculated by reference to the agreed- upon notional principal amount.

Counterparty risk

The Group periodically assesses counterparty risk. Consequently, only financial transactions with leading financial institutions are authorised.

Credit risk

Credit risk arises from the probability that the Group's customers may default, requiring a write-off of the related trade receivables.
The Group considers the credit risk on its trade receivables to be low as these receivables are spread over many customers in France and abroad, with no single customer accounting for more than 10% of consolidated revenue.
Further details on the Group's trade receivables are provided in Note 6 – "Current assets."

Liquidity risk

The Group manages liquidity risk by using credit facilities set up with banks. The amounts and maturities of these facilities are adapted to ensure that the Group has sufficient cash to respect its commitments. See also Note 1.2 Significant events after December 31, 2022 regarding the significant cash inflows collected from the sales to CD&R.

In addition, the Group finances a portion of its working capital through a trade receivables sale program comprising factoring agreements which at the year-end represented a maximum of €293.3 million worth of factored receivables. Detailed information on the Group's credit facilities and factoring is provided in Note 9 – "Long- and short-term financial liabilities".

2.3.6. Related parties

The parties considered as related to the Group, as well as material transactions carried out with these parties during FY 2022, are as follows:

- The members of the Group's governance bodies (management board).
- The real estate company (société civile immobilière) owned by the Group's ultimate shareholder that lease properties to the Group. Rental payments under these leases amounted to €0.5 million at year-end 2022.
- In addition, the security deposits paid to the non-trading property companies amounted to €0.3 million at the year-end 2022.
- €1.0 million in trademark fees and €8.5 million in (i) management fees, charged for top managers' compensation, as well as consulting and strategic services, by companies indirectly held by Group's ultimate shareholder, AHDS Management (ii) and other top management's compensation.
- The Group cooperates with City One, a company which provides reception services. Sophie Pécriaux-Julien, member of the Board of Directors of AHDS and Chairman of LFA Supervisory Board, is the controlling shareholder and Chairman of City One. Revenue generated from City One amounted to €2.2 million in FY 2022, and external expenses with this supplier amounted to €36.0 million in FY 2022.
- The Group has a current receivable account under the cash advance agreement with Atalian Holding Development & Strategy for €10 million.
- During FY 2022, the Group Atalian sold several entities to AHDS Management (Morocco, Senegal, Ivory Coast, MTO Lebanon and Myanmar) as explained in Note 1.1.2. These entities were sold (not yet settled) at their Fair Value based on independent valuation.
- AHDS hold several put options on minority interests of entities controlled by LFA (in Lebanon, India, Croatia, Belarus, Russia and Belgium) for a total amount of €1.1 million.
- The ultimate shareholder paid a sum of €8.3 million in March 2022 to the Group; this amount was paid as a provision for any damages awarded by the Court to the Group (see Note 1.1.3).
- AHDS has signed cross puts and calls with certain minority shareholders of Atalian subsidiaries, some of which have presence clauses; consequently they may be employees of the Atalian Group. Any subsidiaries of the Atalian Group may substitute AHDS in all the puts and calls options at Atalian sole discretion if AHDS elects to assign such option to Atalian. The Group does not recognise any debt in relation with puts entered into by AHDS as it is not a party to these agreements from a legal standpoint.

2.4. STATEMENT OF CASH FLOWS

The Group has opted to use the indirect method to present the consolidated statement of cash flows, which consists in determining cash flows from operating activities by adding back to or deducting from profit for the period all non-cash transactions and all cash flows relating to investing and financing activities.

Net cash and cash equivalents – whose movements are analysed in the statement of cash flows – are defined as cash and cash equivalents less short-term bank loans and overdrafts.

As explained in Note 2.2 the net cash flows attributable to the operating, investing, and financing activities of the discontinued operations is separately presented on the face of the cash flow statement, in accordance with IAS 7.8.

NOTE 3
SEGMENT REPORTING

Identification of segments

The group has identified two operating segments that correspond to the geographical location of the assets as follows:

- A "France" division, comprising all of the companies located in France.
- An "International" division, comprising all the companies excluding France companies (i.e. mainly CEE, Benelux, the USA), which definition changed as compared to previous year due to the application of IFRS 5.

Segment indicators

For each of its operating segments, the Group presents the following income statement items:

- Revenue
- Operating profit before depreciation, amortisation, provisions and impairment losses.

The accounting methods applied for each operating segment are those used for preparing the consolidated financial statements.

The information presented for each operating segment corresponds to "contributive data", i.e. after eliminating inter-segment transactions.

Based on these principles, the Group's segment information is as follows:

	By operating segment			
in millions of euros	**France**	**International**	**Others (incl. Corp Holding)***	**TOTAL GROUP**
DECEMBER 31, 2022				
Revenue	1,390.3	678.7 **	(3.8)	2,065.1
Operating profit before depreciation, amortisation, provisions and impairment losses	123.3	9.4	(38.0)	94.7
** include inter-segment revenue*				
*** of which countries contributing to turnover > 10%*				
United States		*141.1*		
Belgium		*119.1*		
Czech Republic		*74.1*		
DECEMBER 31, 2021				
Revenue	1,378.3	655.9 **	(2.0)	2,032.1
Operating profit before depreciation, amortisation, provisions and impairment losses	155.5	34.6	(39.1)	151.0
** include inter-segment revenue*				
*** of which countries contributing to turnover > 10%*				
United States		*156.9*		
Belgium		*111.5*		
Czech Republic		*77.2*		

NOTE 4
OPERATING PROFIT

Net sales

Net Sales are mainly generated by the provision of services to the occupants (cleanliness, security) or buildings (technical maintenance, energy management and the second work).
Services are provided to the client daily over the duration of the contract and the client receives and uses the benefits provided by the Group at the same time. Contracts include, in the vast majority of cases, only one performance obligation, the realisation of which is carried out as the contract progresses, so that the performance obligation is satisfied over time and generally invoiced on a monthly basis. These services are generally recognised using the billing method when the Group charges a fixed price for each hour of service provided.
Thus, revenue is recognised at the time the service is rendered, i.e. when the performance obligation is satisfied under IFRS 15.

Net sales of most building services activities are accounted for in accordance with IFRS15 using the percentage-of-completion method. As a result, the Group uses the method that most reliably measures the work performed: either the physical progress of the work or the percentage of completion of costs.

Margin at completion is estimated based on periodically revised cost and revenue analysed over the term of the contracts (the impact of changes in estimate is recorded in the period in which they are incurred):
- if the invoiced amount is greater than the recognised turnover, a contract liability is recognised.
- if the revenue is lower than the recognised turnover on the progress, a contract asset is then recorded.

When it is probable that the total cost of the contract will be greater than the total revenue of the contract, the expected loss is provisioned.

Net sales are recorded when it is probable that the future economic benefits will flow to the Group and that these products can be measured reliably. No revenue is recognised when there is significant uncertainty as to the recoverability of the consideration.

Net sales is the amount receivable for services provided in the normal course of business, except for amounts collected on behalf of third parties such as value-added taxes and other taxes.

Under the provisions of IFRS 15, the backlog is not presented because generally contracts run for less than one year and / or the performance obligations are recognised under the billing method. In addition, the costs of obtaining contracts are not significant.

In addition, the contracts have no funding component since the time between revenue recognition and payment is generally short. As a result, the Group does not adjust the transaction price based on the time value of money.

Operating profit before depreciation, amortisation, provisions and impairment losses

Operating profit before depreciation, amortisation, provisions and impairment losses includes revenue and related income less expenses directly attributable to operations, which mainly comprise purchases consumed, other external charges, payroll costs and taxes other than on income. It also includes other operating income and expenses.

Government measures

In response to the Covid-19 pandemic, governments implemented social, tax and economic stimulus measures to assist entities. These measures include employment-related measures (e.g. temporary salary subsidies), additional tax deductions and credits, rental reductions or deferrals and below-market rate loans. The governments' measures primarily affecting the Group were temporary salary subsidies in Europe and Asia. The Group analysed all facts and circumstances in relation to these schemes, the impacts of these government measures are mainly recorded in staff costs and other operating income and expenses.

Transactions between continuing and discontinued operations

As explained in the Note 2.2 Discontinued operation, to reflect the continuance support services provided by Atalian to the entities disposed of, the Group decided to allocate the intra- group transactions in regards of management fees to both Continued and Discontinued operations. The intra-group income relating to services rendered by Atalian Group towards the Discontinued operations amount to €6.4 million, as of December 31, 2022 (€6.8 million in 2021). This amount is accounted for on the lines Other operating income and Other operating expenses which disclosed a net amount of €7 million as of December 31, 2022. In addition the impact of inflation in Lebanon and some restatements in CEE were also included in the lines Other operating income aand Other operating expenses, presenting a net amount of €17.1 million.

Employment costs

in millions of euros	2022	2021
Wages and other employment- related expense - I	(1,423.8)	(1,366.6)
of which wages and salaries	*(1,147.0)*	*(1,098.3)*
of which employer social contributions	*(250.1)*	*(250.0)*
of which contributions to defined contribution plans	*(5.5)*	*(4.7)*
of which other employment related expenses	*(21.1)*	*(13.6)*
Profit-sharing and incentive plans - II	(3.7)	(6.3)
TOTAL	(1,427.5)	(1,372.9)

Depreciation and amortisation

in millions of euros	2022	2021
Intangible assets	(5.8)	(5.2)
Property, plant and equipment	(62.5)	(55.3)
of which D&A own property PP&E	*(5.7)*	*(16.4)*
of which D&A non operating	*(13.6)*	-
of which amortisation of rights of use	*(43.3)*	*(38.9)*
D&A Acquired through business combination	(0.9)	(0.8)
TOTAL	(69.3)	(61.4)

Other income and expenses

Other income and expenses correspond to significant, and non-recuring events that occurred during the period and have impacted on the performance of the Group. They are mainly restructuring costs, specific and non- recurring items costs, acquisition costs such as miscellaneous fees and due diligence costs.

In 2022, other operating expenses amount to €38.1 million. The breakdown by different types of costs and divisions is as below:

in millions of euros	TOTAL GROUP	France	International	HOLD CORP
Profit/Loss on disposal of subsidiary	3.6	(0.0)	4.4	(0.8)
Other income and expenses	(26.2)	(0.4)	(10.8)	(15.0)
TOTAL	(22.6)	(0.4)	(6.4)	(15.8)

The impact of the sale of the African entities is presented on the line "Profit/loss on disposal on subsidiary" for €4.4 million in International.

In International the expenses relate to:
- True up of workers compensation plan in the USA for €(5.3) million.
- Legal fees and transaction costs in the USA for €(3.3) million.
- Litigation costs in the USA for €(1.6) million.

In Holdings other income and expenses include:
- The expenses related to the disposal of the Group operations in the UK, Ireland including Aktrion and Asia. They are mainly composed of advisory, legal, tax and several due diligence expenses for a total of €(6.4) million.
- Termination costs related to M&A operation for €(5.8) million.
- Restructuring costs and others for €(2.8) million.

NOTE 5
NON-CURRENT ASSETS

5.1. GOODWILL

Acquisitions are accounted for under the acquisition method in accordance with IFRS 3. Under this method, the purchase price is allocated to the identifiable assets acquired and liabilities assumed based on their acquisition date fair values.

Their fair values calculated at the acquisition date and may be adjusted within twelve months of that date.

Cost directly related to the acquisition are expensed as incurred and are included in "Other income and expenses" in the consolidated income statement.

Goodwill corresponds to the excess of (i) the aggregate of the consideration transferred and the amount of any non-controlling interests in the acquiree, as measured at fair value, over (ii) the net of the acquisition date fair values of the identifiable assets acquired and liabilities assumed. Goodwill is recognised in the statement of financial position, under Goodwill and badwill is recorded in the consolidated income statement in the year of the acquisition.

Goodwill is tested for impairment at least annually, at the same time each year, and whenever there is an indication that it may be impaired.

Goodwill is allocated to each Cash-Generating Unit (CGU) or group of CGU's that is expected to benefit from the synergies of the business combination, depending on the level at which the return on investments is monitored. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of those generated by other assets of the entity.

An impairment loss is recognised if the net book value of the CGU is greater than its recoverable amount. If applicable, an impairment loss recognised in respect of one CGU is allocated first to the reduction of the carrying amount of any goodwill allocated to that CGU and then to the reduction in the carrying amount of the other assets of that CGU prorated to the book value of each asset in the CGU. Any impairment of goodwill is then definitive.

The recoverable amounts of the CGU is the higher of its value in use or its fair value less costs of disposal. The value in use of each CGU is determined by estimating and discounting future cash flows.

Considering the significant transactions which occurred during the year 2022 (see Note 1.1 Significant events during 2022 financial year), the following recoverable amount methodology has been applied for goodwill impairment testing:

- France CGU (comprising the companies located in France): recoverable amount determined on the value in use.
- UK CGU (comprising the companies based in the UK and Ireland): the recoverable amount is based on the fair value less cost of disposal following the share purchase agreement signed on December 16, 2022 to acquire the Atalian operations in the UK, Ireland and Asia (including Aktrion) the enterprise value of the disposed entities amounts to €735 million.
- International group of CGUs (comprising all the entities not located in France, UK nor Ireland): the recoverable amount is determined based on i. fair value less cost of disposal for Asian and Aktrion entities as part of the deal with CD&R); and ii. value in use for the other not mentioned entities (mainly the USA, CEE and Benelux).

For deriving the value in use as at December 31, 2022, the following principles were used for the related calculations:

- The discount rate for future cash flows was determined based on the weighted average cost of capital. The rates retained are disclosed in note 5.1.3.
- Cash flows projections were derived from the budget and the medium-term business plans drawn up by the country and regional management team of the tested CGU. Medium term business plans and normative cash flow used for the determination of the terminal value are prepared on a pre-IFRS 16 basis, with the operating leases expected rent expense impacting the discounted cash-flows while both IFRS 16 Right of Use assets and Lease obligations are not considered in the carrying amount of the tested CGU. Key drivers of the cash flows projections are the relevant assumptions on organic growth, EBITDA margin ratio, working capital and capital expenditure. The budget and the medium-term business plans are prepared and approved once a year during the fourth quarter of the reporting year.
- Terminal value is extrapolated by applying to normative cash flows for subsequent years a growth rate to perpetuity (see Note 5.1.3 for the rates applied at December 31, 2022 and at December 31, 2021). This growth rate reflects the expected long-term growth in the markets in which the Group's CGUs operate.

Considering triggering events in relation with the US operations (classified under International group of CGUs), the US entities carrying value has been tested separately, in accordance with IAS 36 requirements, as both internal and external factors revealed an indication that the related assets may be impaired. As an outcome, an impairment loss of €(71.8) million included in the "Provision and impairment loss, net" line item of the 2022 financial year consolidated income statement has been recorded. The impairment loss exceeds the sole result of the impairment test model and considers Management assessment. This impairment loss is fully allocated to the goodwill in compliance with IAS 36 requirements.

5.1.1. Movements

in millions of euros	Gross	Impairment	Net
DECEMBER 31, 2020	1,036.6	(4.1)	1,032.5
Impact of changes in Group structure and others	(5.1)	-	(5.1)
Impact of exchange rates	35.3	0.1	35.4
DECEMBER 31, 2021	1,066.8	(4.0)	1,062.8
Impairment of Goodwill	-	(72.3)	(72.3)
Impact of changes in Group structure and others	21.3	0.5	21.8
Impact of exchange rates	(20.0)	1.5	(18.5)
Classification to assets held for sale	(470.6)	-	(470.6)
DECEMBER 31, 2022	597.5	(74.3)	523.2

- "Impairment of Goodwill" is mainly related to the impairment loss of the US operations for €(71.8) million;
- "Impact of changes in Group structure and others" includes the €28.0 million of goodwill recognised following the UK IFM Group business combination (May 25, 2022) partially offset by the sale of the African entities (€(5.2) million) disposed of during the year.
- "Classification to assets held for sale" include the net carrying value of the goodwill of the UK CGU and Asian entities (including Aktrion) as part of the transaction with CD&R.

5.1.2. Breakdown of goodwill by CGU

in millions of euros	December 31, 2022	December 31, 2021
France	443.6	443.9
UK (classified as held for sale)	-	429.9
International (partially classified as held for sale)	79.6	189.0
TOTAL	523.2	1,062.8

- UK CGU carrying assets including goodwill are classified to assets held for sale
- International CGU net carrying value goodwill decrease is mainly due to:
  - the impairment loss amounting to €(72.3) million largely on the US operations for €(71.8) million;
  - the disposal of the African operations of €(5.2) million on December 23, 2022;
  - classification as assets for sale of the Aktrion and Asian activities of €(37.3) million.

5.1.3. CGU impairment testing

The assumptions used for determining the value in use of the CGUs were as follows:

in millions of euros	December 31, 2022		December 31, 2021
FRANCE CGU		**FRANCE CGU**	
Carrying value	€174m	Carrying value	€189m
Cash flow projections	4 -year business plan + terminal value	Cash flow projections	4 -year business plan + terminal value
Discount rate	8.2%	Discount rate	8.1%
Long-term growth rate	2.0%	Long-term growth rate	2.0%
UK CGU		**UK CGU**	
Carrying value (classified as held for sale)	€486m	Carrying value	€486m
The Fair Value less cost of disposal (as per the agreement signed with CD&R) is not triggering any impairment risk as the proceeds exceed the carrying value of the UK CGU together with the other entities usually shown under International CGU (i.e. Aktrion and Asian entities).		Cash flow projections	4 -year business plan + terminal value
		Discount rate	8.3%
		Long-term growth rate	2.1%
INTERNATIONAL CGU		**INTERNATIONAL CGU**	
Carrying value	€151m	Carrying value	€214m
Fair value less cost of disposal for Asian and Aktrion entities (as mentioned here above); and value in use for the other entities as part of the CGU			
Cash flow projections	4 -year business plan + terminal value	Cash flow projections	4 -year business plan + terminal value
Discount rate	8.8%	Discount rate	8.4%
Long-term growth rate	2.0%	Long-term growth rate	2.0%

WACC assumptions

As specified by IAS 36, the cash flows derived by the CGU must be discounted to reflect the passage of the time. As the discount rate is usually not observable in the market, consequently a model needs to be used. The most applied being the weighted average cost of capital (WACC) using the Capital Asset Pricing Model (CAPM). An entity is usually funded by a mixture of debt and equity (equity shareholders being exposed to higher risks than debt holders) Atalian WACC represents the minimum return that must be earned from its assets base to satisfy both its debt and shareholder.

WACC components include:

i. Cost of Equity which is determined based on the interaction of several parameters – CAPM model used to define it

ii. Risk free rate: based on the 10 years Yield where applicable of governmental bonds for CGU regions

iii. Beta: measures the systematic risk of the asset as compared to its market (ie correlation and magnitude)

iv. Equity, Country, size and company specific risk premium: determines the incremental return expected as compared to the risk-free rate depending on the country, size and specificity of the company environment.

IAS 36 is clear that the discount rate used must be independent of the entity current capital structure (D/E gearing). Consequently, the amounts and weighting of Debt and Equity must be based on those of a peer group of entities that are reflective of the capital structure that an investor would apply when investing in the entity or CGU (i.e. the "capital market structure"). Atalian used a peer group of 9 competitors.

Results

Impairment losses were recorded as of December 31, 2022 regarding the US operations for an amount of €(71.8) million and fully allocated to the Goodwill attributed to the US entities.

Regarding CGUs, all other factors remaining constant, in the event of a 0.50% increase in the discount rate or a 0.50% decrease in the long-term growth rate the recoverable amount of the CGUs would be reduced by the amounts shown in the table below without triggering any impairment:

Sensitivity as of 31 December 2022 in millions of euros	WACC Impact of +0.5%	Long-term growth Impact of -0.5%
France	(69.7)	(56.7)
International[1]	(19.6)	(15.8)

[1] *The sensitivity analysis is here disclosed for the sole operations tested through their value in use.*

The Group assesses that the Covid-19 pandemic has not structurally altered the long-term outlook of operations as well as the conflict in Ukraine regarding its Russian activities.

5.2. INTANGIBLE ASSETS

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance. The Standard states that an asset meets the identifiability criterion in this definition when it:

— is separable, i.e. capable of being sold, rented, exchanged independently or transferred; or
— arises from contractual or other legal rights, regardless of whether those rights are separable.
—

Acquired software, trademarks, customer relationships, licenses, capitalized expenses and other intangible assets are amortised on a straight-line basis over their estimated useful lives. Considering customer relationships, the following useful lives are considered:

— Customer relationship of TEMCO US: 10 years
— Cleaning customer relationship of Servest: 11 years
— Catering and Security customer relationship of Servest: 9 years
— Technical services customer relationship of Servest: 8 years
— Aktrion customer relationship: 7 years.

As indicated in the note 2.2 Discontinued Operations, the amortisation of all the assets classified as held for sale ceased on December 16, 2022.

GROSS in millions of euros	Software, licenses, patents and similar rights	Other intangible assets	TOTAL
DECEMBER 31, 2020	48.1	86.5	134.6
Currency Translation differences	0.4	5.4	5.7
Transfer and other movements	0.5	(2.4)	(1.9)
Changes in Group structure	0.0	(0.2)	(0.2)
Acquisitions	3.0	6.5	9.5
Disposals, reductions and others	(1.9)	(0.0)	(1.9)
DECEMBER 31, 2021	50.1	95.7	145.8
Currency Translation differences	(0.5)	(4.6)	(5.1)
Transfer and other movements	(7.5)	(7.6)	(15.1)
Changes in Group structure	(0.7)	29.0	28.3
Acquisitions	3.4	10.0	13.4
Disposals, reductions and others	(0.2)	(2.2)	(2.4)
Impact assets held for sale and discontinued operations	(7.6)	(98.9)	(106.5)
DECEMBER 31, 2022	**37.1**	**21.4**	**58.5**

AMORTISATION AND IMPAIRMENT in millions of euros	Software, licenses, patents and similar rights	Other intangible assets	TOTAL
DECEMBER 31, 2020	(37.9)	(27.9)	(65.7)
Currency Translation differences	(0.1)	(2.0)	(2.1)
Transfer and other movements	0.4	(2.1)	(1.8)
Changes in Group structure	0.0	0.1	0.1
Disposals, reductions and others	1.7	0.0	1.7
Depreciation expense	(5.9)	(9.3)	(15.2)
DECEMBER 31, 2021	(41.8)	(41.2)	(83.1)
Currency Translation differences	0.2	1.5	1.7
Transfer and other movements	9.0	(2.1)	6.9
Changes in Group structure	0.6	(0.7)	(0.1)
Disposals, reductions and others	0.2	0.5	0.7
Depreciation expense	(4.5)	(11.2)	(15.7)
Impact assets held for sale and discontinued operations	2.7	39.1	41.8
DECEMBER 31, 2022	**(33.7)**	**(14.2)**	**(47.8)**

NET in millions of euros	Software, licences, patents and similar rights	Other intangible assets	TOTAL
DECEMBER 31, 2021	8.3	54.5	62.8
DECEMBER 31, 2022	**3.5**	**7.2**	**10.7**

5.3. PROPERTY, PLANT AND EQUIPMENT

The cost of an item of property, plant and equipment consists of its purchase price, including import duties and non-recoverable taxes, after deducting trade discounts and rebates, as well as any costs directly attributable to bringing the asset to its required working condition.

Subsequent costs are recognised as expenses except when they improve the originally expected performance of the asset, increase its useful life, or reduce predefined operating costs.

After recognition as an asset, an item of property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated based on an asset's estimated useful life, which corresponds to the period over which the entity expects to use the asset.

Depreciable amount is the cost of an asset less any residual value. Residual value is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life (excluding the effects of inflation).

The main estimated useful lives applied are as follows:
- Buildings: 20 years;
- Equipment and machinery: 3 to 5 years;
- Other items of property, plant and equipment: 4 to 10 years depending on the type of asset (vehicles, office furniture etc.).

These useful lives are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. Any such adjustments are treated as a change in an accounting estimate and are recognised prospectively.

Leases:

Right-of-use assets totaling €92.8 million held under leases were capitalized in property, plant and equipment. Further information on leases and related Right-of-use are disclosed in Note 13.

GROSS in millions of euros	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
DECEMBER 31, 2020	90.2	189.2	84.3	100.5	1.8	466.0
Currency Translation differences	1.3	2.4	1.6	2.2	0.0	7.5
Modifications and reassessments of leases	(11.5)	(9.7)	(11.7)	5.0	(0.7)	(28.5)
Changes in Group structure	(0.2)	(4.2)	(0.7)	(0.8)	(0.0)	(6.0)
Acquisitions	11.9	34.6	28.4	12.5	4.6	92.0
Disposals, reductions and others	(2.8)	(40.1)	(3.7)	(12.1)	(0.0)	(58.6)
DECEMBER 31, 2021	88.9	172.2	98.2	107.4	5.7	472.4
Currency Translation differences	1.2	(0.8)	(1.5)	1.1	(0.0)	(0.0)
Modifications and reassessments of leases	(8.9)	(12.0)	(21.3)	(3.2)	(5.1)	(50.5)
Changes in Group structure	(0.4)	(1.9)	(1.5)	(2.4)	(0.1)	(6.3)
Acquisitions	22.5	35.6	35.0	17.9	1.4	112.4
Disposals, reductions and others	(6.9)	(6.8)	(2.7)	(12.9)	0.0	(29.3)
Impact assets held for sale and discontinued operations	(13.8)	(28.3)	(35.0)	(38.1)		(115.3)
DECEMBER 31, 2022	82.5	158.0	71.2	69.9	1.9	383.4

DEPRECIATION AND IMPAIRMENT in millions of euros	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
DECEMBER 31, 2020	(27.6)	(148.0)	(47.5)	(77.7)	(0.1)	(300.9)
Currency Translation differences	(0.4)	(1.7)	(0.8)	(1.8)	(0.0)	(4.7)
Modifications and reassessments of leases	4.5	3.4	13.3	(2.8)	0.1	18.5
Changes in Group structure	0.1	2.9	0.6	0.7	-	4.3
Disposals, reductions and others	1.4	38.1	2.8	13.7	-	56.0
Depreciation expense	(12.8)	(24.1)	(25.3)	(14.5)	-	(76.6)
DECEMBER 31, 2021	(34.7)	(129.3)	(56.9)	(82.4)	0.0	(303.3)
Currency Translation differences	0.0	0.1	0.5	1.1	(0.0)	1.7
Modifications and reassessments of leases	11.1	12.0	18.1	4.0	0.0	45.2
Changes in Group structure	0.1	2.1	1.2	2.0	-	5.4
Disposals, reductions and others	0.0	5.6	1.7	12.5	-	19.7
Depreciation expense	(13.3)	(27.0)	(26.8)	(18.5)	-	(85.6)
Impact assets held for sale and discontinued operations	4.2	15.1	16.9	26.2	-	62.3
DECEMBER 31, 2022	(32.7)	(121.4)	(45.5)	(55.1)	0.0	(254.6)

NET in millions of euros	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
DECEMBER 31, 2021	54.2	42.9	41.3	24.9	5.8	169.1
DECEMBER 31, 2022	49.8	36.6	25.7	14.8	1.9	128.8

The lines modification and reassessment of leases (both in Gross and Depreciation and Amortisations) are related to either early termination or amendment of value for Lease contracts under IFRS16 qualification.

5.4. INVESTMENTS IN ASSOCIATES

INVESTMENTS IN ASSOCIATES in millions of euros	TOTAL
DECEMBER 31, 2021	0.3
Transfers, share issues and other movements	(0.3)
Translation of foreign subsidiaries differences	(0.0)
DECEMBER 31, 2022	0.0

5.5. OTHER NON-CURRENT FINANCIAL ASSETS

Classification

Other non-current financial assets mainly comprise
- Factoring security deposits classified as amortised cost.
- Investments in non-consolidated companies and other long-term investments are classified as fair value through OCI. Changes in fair value of these financial assets – including unrealised gains and losses – are recognized in other comprehensive income.
- Other financial assets, mainly composed of loans and receivables attached to equity interests are classified as amortised cost.

Recognition and measurement

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset.
A financial asset is derecognised when the Group's contractual rights to receive cash flows from the asset have expired or the Group has transferred the financial asset to a third party without retaining control or substantially all of the risks and rewards of ownership of the asset.

Financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs for financial assets classified as at fair value through profit are expensed in the income statement.

A financial asset is classified as a current asset when the cash flows from the instrument are expected to be received within one year.
The amortised cost of a financial asset is the amount at which the asset was initially recognised minus principal repayments, plus or minus the cumulative amortisation calculated using the effective interest method of any difference between that initial amount and the maturity amount.

For instruments quoted in an active market, fair value corresponds to a market price. For instruments not quoted in an active market, fair value is determined using valuation techniques. Valuation techniques include using recent arm's length market transactions or transactions in other instruments that are substantially the same, discounted cash flow analysis and option pricing models. In so far as possible, they include inputs based on observable market data.

Factoring security deposits concern factoring contracts that transfer substantially all the risks and rewards of ownership of the underlying receivables to the factoring company (see Notes 9.1, 9.2 and 9.3).
Other non-current financial assets amount to €20.7 million as of December 31, 2022 and is mainly composed of factoring security deposits and other receivables.

in millions of euros	Factoring security deposits	Investments in non-consolidated companies and related receivables	Other receivables	Total gross value	Amortisation and impairment	Net
DECEMBER 31, 2020	22.4	0.1	11.4	33.9	(0.3)	33.7
Changes in Group structure	0.0	12.0	(0.8)	11.2	(0.0)	11.2
Currency Translation differences	0.3	0.5	(2.1)	(1.3)	(0.3)	(1.6)
Transfer and other movements	0.0	0.0	0.0	0.0	0.0	0.0
Disposals, reductions and others	(5.2)	0.0	(0.7)	(5.9)	(6.8)	(12.7)
Additions and reversals	4.4	0.0	3.4	7.8	0.2	8.0
DECEMBER 31, 2021	21.9	12.6	11.2	45.6	(7.2)	38.6
Changes in Group structure	(0.1)	(11.9)	0.5	(11.5)	5.2	(6.3)
Currency Translation differences	(0.4)	0.3	(0.9)	(1.0)	(0.2)	(1.2)
Transfer and other movements	0.0	0.5	(2.8)	(2.3)	(1.0)	(3.3)
Disposals, reductions and others	(1.8)	0.0	(1.2)	(3.1)	1.9	(1.2)
Additions and reversals	5.5	0.0	6.5	12.0	0.4	12.4
Impact assets held for sale and discontinued operations	(8.8)	(0.5)	(10.1)	(19.4)	1.0	(18.4)
DECEMBER 31, 2022	16.3	1.0	3.2	20.5	0.2	20.7

5.6. NON-CURRENT TAX ASSETS AND LIABILITIES

Deferred taxes are determined for each taxable entity, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

A deferred tax asset/liability is recognised for all deductible/taxable temporary differences. However, deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available within a reasonable timeframe against which the temporary differences can be utilised.

Temporary differences between the tax bases of assets and liabilities and their carrying amounts may arise as a result of the following:
— Sources of future taxation (deferred tax liabilities): mainly corresponding to income on which taxation has been deferred.
— Sources of future deductions (deferred tax assets): mainly relating to provisions that are temporarily non- deductible for tax purposes, as well as tax loss carry forwards where the realisation of the related tax benefit through future taxable profits is probable.

Income tax expense is recognised in the income statement except where it relates to items recognised directly in equity/other comprehensive income, in which case, the tax is also recorded in equity/other comprehensive income.

Deferred taxes are recognised at the tax rate prevailing at the reporting date, adjusted where appropriate to take into account the effect of any changes in tax laws. The effect of any change in rates of corporation tax is included in either the income statement or in equity, depending on the initial method of recognition of the deferred tax concerned.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

5.6.1. Main sources of deferred taxes by nature

in millions of euros	December 31, 2022	December 31, 2021
DEFERRED TAX ASSETS	59.3	83.8
. Tax loss carry-forward	49.0	74.6
. Employee benefits	5.6	6.0
. Other temporary differences	4.1	2.7
. Other sources of deferred tax assets	0.6	0.6
DEFERRED TAX LIABILITIES	-	9.5
. Other sources of deferred tax liabilities	5.6	9.5
TOTAL	53.7	74.3

Deferred tax assets on tax loss carry forward relate mainly to France for €33.5 million and for the corporate Holdings €10.8 million.

In the course of its assessments, Management determines that the carrying amount of its net deferred tax assets, recognized in the USA, may not be recoverable pursuant to such prevailing tax laws and downgraded future estimates taxable incomes, consequently such deferred tax asset has been impaired for an amount of €6.3 million shown under the line "income tax expenses" in the consolidated income statement (refer to Note 14).

Deferred tax liabilities include as at December 31, 2022 a €5.6 million position in relation with an uncertainty over a specific income tax treatment following the depreciation of current account receivables held against some legal entities of the consolidated perimeters. Given the potential difference in assessment related to the substance and the tax implications of this transaction, the Group accounted for a deferred tax liability in accordance with IFRIC23 requirements.

5.6.2. Recovery periods for deferred tax assets

in millions of euros	Recovery within 2 years	Recovery in 3 to 5 years	Recovery in 6 to 10 years	Total
Deferred tax assets	16.7	32.5	10.1	59.3

The recovery periods for deferred tax assets are based on the Group's taxable profit forecasts at December 31, 2022.

5.6.3. Tax base of unrecognised deferred tax assets

in millions of euros	December 31, 2022	December 31, 2021
France (historical tax consolidation)	75.2	33.4
France (other and companies not included in the tax group)	33.2	36.4
International	88.9	88.9
TOTAL	197.3	158.7

NOTE 6
CURRENT ASSETS

6.1. INVENTORIES

Inventories are stated at the lower of cost and market price. Cost is determined using weighted average unit cost. An impairment loss is recognised when the cost of an item of inventory falls below its realisable value.

Work-in-progress inventories are mainly related to the costs incurred in our Maintenance and Energy divisions in France.

INVENTORIES	December 31, 2022			December 31, 2021		
in millions of euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Raw materials/supplies and finished products	3.8	(0.3)	**3.5**	9.0	(0.4)	**8.6**
Work-in-progress	0.7	-	**0.7**	39.2	-	**39.2**
TOTAL	4.5	(0.3)	4.2	48.2	(0.4)	47.8

6.2. PREPAYMENTS

PREPAYMENTS	December 31, 2022			December 31, 2021		
in millions of euros	Gross	Depreciation	Net	Gross	Depreciation	Net
Prepayments to suppliers	6.4	-	**6.4**	6.3	-	**6.3**
TOTAL	6.4	-	6.4	6.3	-	6.3

The prepayments are mainly related to Atalian's France and East European business.

6.3. TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value.

If there is an objective indication of impairment or a risk that the Group may not be able to collect all of the contractual amounts of a receivable (principal plus interest) at the dates set in the contractual payment schedule, an impairment loss is recognised in the income statement. The amount of the impairment loss recorded represents the difference between the carrying amount of the asset and the estimated value of the future recoverable cash flows, discounted at the initial effective interest rate.

The Group sells receivables to factoring companies. Following the renegotiation and extension of the Group's factoring programs (see Note 9.3 Factoring), a majority of factoring receivables for which substantially all the risks and rewards of ownership are transferred to the factoring companies are derecognised.

	December 31, 2022			December 31, 2021		
in millions of euros	Gross	Depreciation	Net	Gross	Depreciation	Net
TRADE RECEIVABLES[1]	233.4	(15.1)	218.3	368.4	(25.8)	342.6
OTHER RECEIVABLES:	88.1	-	88.1	173.0	-	173.0
Employees	1.5	-	1.5	4.7	-	4.7
Social security bodies	1.4	-	1.4	16.8	-	16.8
Tax other than on income	44.8	-	44.8	98.7	-	98.7
Other operating receivables	47.7	-	47.7	120.2	-	120.2
Accrued Rebates from Suppliers	7.9	-	7.9	11.7	-	11.7
Other receivables	19.3	-	19.3	16.6	-	16.6
Prepaid expenses	13.1	-	13.1	24.5	-	24.5
TOTAL TRADE AND OTHER RECEIVABLES	321.5	(15.1)	306.5	541.4	(25.8)	515.7

[1] Including certain factored trade receivables that have not been derecognised (see Note 9.3).

The depreciation on trade receivables refers to allowances for doubtful receivables.

	Depreciation	
in millions of euros	December 31, 2022	December 31, 2021
Depreciation on trade receivables	(15.1)	(25.8)
France	(5.9)	(6.1)
UK	-	(3.6)
International	(7.5)	(14.3)
Corporate Holdings	(1.7)	(1.8)

International is mainly impacted by the US €(3.6) million (vs €(8.3) million in 2021) and the CEE €(3.4) million (vs (2.9) million in 2021).

6.4. BREAKDOWN OF TRADE RECEIVABLES BETWEEN AMOUNTS PAST DUE AND AMOUNTS NOT PAST DUE AT DECEMBER 31, 2022

	Amounts not past due	Amounts past due		
in millions of euros		< 12 months	> 12 months	Total
Trade receivables (gross)	189.9	33.7	9.8	**233.4**
TOTAL TRADE RECEIVABLES (GROSS)	189.9	33.7	9.8	233.4

6.5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and have a term of three months or less (notably units in money market mutual funds [OPCVM] carried at fair value through profit or loss). This item may also include cash deposits in term accounts that have terms of more than three months but which the Group can withdraw from at any time without incurring significant rate penalties.

	December 31, 2022			December 31, 2021		
in millions of euros	Gross	Impairment	Net	Gross	Impairment	Net
Cash	90.8		**90.8**	156.0		**156.0**
Marketable securities	0.3		**0.3**	1.0		**1.0**
TOTAL CASH AND CASH EQUIVALENTS	91.1		91.1	157.0		157.0

The Group's cash and cash equivalents are primarily in euros.
At December 31, 2022, cash and cash equivalent that are not available for use by the Group (restricted cash) amounted to €8.0 million, mainly in Eastern Europe for €5.2 million due to countries regulations (which mainly consist of €2.5 million for Russia, €0.3 million for Belarus and €1.2 million for Turkey).

Marketable securities mainly comprise money market mutual funds (OPCVM).

NOTE 7
EQUITY

7.1. SHARE CAPITAL AND SHARE CAPITAL PREMIUM

	31/12/2020	Decrease	Increase	December 31, 2021
Shares (number)	116,237,206	(1,630,622)	-	114,606,584
Numbers of shares outstanding	**116,237,206**	**(1,630,622)**	**-**	**114,606,584**
Par value	€1	€1		€1
SHARE CAPITAL IN €	116,237,206	(1,630,622)	0	114,606,584

	December 31, 2021	Decrease	Increase	December 31, 2022
Shares (number)	114,606,584	-	-	114,606,584
Numbers of shares outstanding	**114,606,584**	**-**	**-**	**114,606,584**
Par value	€1			€1
SHARE CAPITAL IN €	114,606,584	-	-	114,606,584

At December 31, 2020, the company's share capital was composed of 116,237,206 fully paid-up shares with a par value of €1 each.

Following the approval in the shareholders' general meeting on 9 March 2021, the Company has bought back 1,630,622 shares.

At December 31, 2021, the company's share capital was composed of 114,606,584 fully paid-up shares with a par value of €1 each.

At December 31, 2022, the company's share capital was composed of 114,606,584 fully paid-up shares with a par value of €1 each.

7.2. TRANSACTIONS RECOGNISED DIRECTLY IN EQUITY

7.2.1 Currency translation reserve

The main currency translation differences at December 31, 2022, attributable to equity holders of the Group, resulting from the conversion into euros of the financial statements of foreign subsidiaries were as follows:

in millions of euros

Currency	December 31, 2021	Change	December 31, 2022
Czech koruna	0.3	0.7	1.0
Indonesian rupiah	(1.1)	1.0	(0.1)
Turkish lira	(8.2)	1.8	(6.4)
Malaysian ringgit	(0.9)	(0.9)	(1.8)
US dollar	1.5	4.1	5.6
Pound sterling	12.6	(18.5)	(5.9)
Singapore dollar	(0.9)	(0.3)	(1.2)
Others	(7.2)	6.2	1.0
TOTAL	(3.9)	(5.9)	(9.8)

This position also includes the opening restatement of Turkish contribution considering IAS 29 hyperinflation accounting treatment for €1 million.

NOTE 8
PROVISIONS

8.1. PROVISIONS RELATED TO PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

8.1.1. Provisions related to pensions

Employment benefits concerned are 'Post retirement pension plans' mainly in France, Croatia, Poland and UK and Philippines (classified as held for sale), and 'Other long term benefit plans' in Turkey.

In 2022, the Group identified several pensions schemes falling under the scope of IAS 19 Employee Benefits in Poland, Croatia. The recognition of these plans was recorded directly in the profit and loss statements as pensions costs, the impacts were not material.

The Group proposed defined contribution pension plans for which the Group's commitment is limited to the payment of contributions. The contributions paid constitute expenses for the financial year.
The evolution of Group's provisions between 2021 and 2022 is a decrease from €27.2 million to €23.9 million.

Retirement benefits (IFC) scheme in France

In accordance with IAS 19, the Group recognises a provision of €23.8 million related to the retirement indemnities receivable by employees on the day of their retirement which are not covered by insurance policies. It represents 99% of the total benefit obligations.
The lump sum paid corresponds to a number of months of salary depending on their seniority at the date of retirement.

The amount of provision is calculated using an actuarial valuation method based on projected end-of-career salaries (the projected unit credit method service prorates). According to IAS 19, the actuarial gains and losses generated, whether due to changes in assumptions or experience, are recognised in equity.

Mains actuarial assumptions used in 2022 are:

France	As of December 31, 2022	As of December 31, 2021
Discount rate*	3.75%	0.90%
Salary increase rate (including inflation rate)	2.7% for white collars and 2.2% for blue collars**	2.0% for white collars and 1.5% for blue collars**
Life expectancy	INSEE 2016-2018	INSEE 2015-2017

** The discount rate was determined by reference to market yields at the reporting date on bonds issued by companies with high credit ratings.*
*** For the blue collar concerned by concession contract in France, only participants older than 56 years have been considered.*

in millions of euros

CHANGE IN NET AMOUNT RECOGNISED	IFC France	Other countries	Total as of December 31, 2022	Total as of December 31, 2021
NET AMOUNT RECOGNISED AT THE BEGINNING OF PERIOD	25.3	1.8	27.2	27.1
Change of perimeter*		(1.8)	(1.8)	-
Net periodic pension cost	(0.0)	0.1	0.1	1.6
OCI (Remeasurements)	(0.1)	0.0	(0.1)	0.1
Company contributions	-	-	-	-
Benefit paid	(1.5)	(0.0)	(1.5)	(1.8)
Acquisitions / Disposals	-	-	-	-
(Gains)/losses on exchange rates	-	(0.0)	(0.0)	-
NET AMOUNT RECOGNISED AT THE END OF PERIOD	23.8	0.1	23.9	27.2

** Including the impact of the entities classified as Asset held for Sale and discontinued operations.*

in millions of euros

CHANGE IN BENEFIT OBLIGATION	IFC France	Other countries	Total as of December 31, 2022	Total as of December 31, 2021
PROJECTED BENEFIT OBLIGATION AT BEGINNING OF PERIOD	25.3	4.7	30.0	29.2
Change of perimeter*	-	(4.7)	(4.7)	-
Current service cost	1.5	0.1	1.6	1.7
Net interest expense	0.2	0.0	0.2	0.2
Actuarial (gains)/losses on the DBO	(0.1)	0.0	(0.1)	0.3
Benefits paid	(1.5)	(0.0)	(1.5)	(1.6)
Past service cost	(1.8)	(0.0)	(1.8)	-
Settlements	-	-	-	-
Acquisitions / Disposals	-	-	-	-
(Gains)/losses on exchange rates		(0.0)	(0.0)	0.2
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	23.8	0.1	23.9	30.0

** Including the impact of the entities classified as Asset held for Sale and discontinued operations*

in millions of euros

CHANGE IN PLAN ASSETS	United Kingdom	Total as of December 31, 2022
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF PERIOD	(3.4)	(3.4)
Change of perimeter*	3.4	3.4
Net interest income	-	-
Company contributions	-	-
Benefits paid	-	-
Actuarial (gains)/losses on plan asset	-	-
Acquisitions / Disposals	-	-
(Gains)/losses on exchange rates	-	-
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	-	-

** Including the impact of the entities classified as Asset held for Sale and discontinued operations*

in millions of euros

EXPECTED BENEFIT PAYMENT	FRANCE
2023	4.9
2024	1.9
2025	2.5
2026	3.6
2027	3.5
2028/2032	6.5
TOTAL	22.9

SENSITIVITY ANALYSIS

The effect of a +/- 0.25% change in the discount rate on the 2022 Defined Benefit Obligations (DBO) in France is as follows:

IN FRANCE (in millions of euros)	Discount rate - 0.25%	Discount rate + 0.25%
DBO Impact	0.3	(0.3)

8.1.2. Provisions related to other employee benefits

The evolution of Group's provisions related to other employee benefits between 2021 and 2022 is an increase from €6.0 million to €10.4 million.

Turkey

In accordance with existing social legislation (Turkish Labor Law), the Group is required to make lumps-sum termination indemnities to each employee who has completed one year of service within the Group and whose employment is terminated due to retirement or for reason other than resignation or misconduct.

The Group grants employee benefits to each employee who has qualified for such benefits as the employment ended. This scheme is qualified as other long term liability provision with an amount of €1.0 million as at December 31, 2022 (€0.5 million as at December 31, 2021).

USA

The Group grants a work accident compensation to their employees in USA (Workers compensation – WC) and recognises also a provision for General litigation (GL). These schemes are qualified as a provision related to other employee benefits, for a total amount of €9.2 million.

8.2. OTHER PROVISIONS

In accordance with IAS 37 a provision is recognised when at the end of the financial year, there is a current obligation, legal or implicit, of the Group towards a third party resulting from past events and whose settlement should result for the Group in a probable outflow of resources representing economic benefits which can be reliably estimated.

in millions of euros	Legal and labour related cases	Other	TOTAL
DECEMBER 31, 2020	12.3	30.2	42.6
Currency translation differences	(0.2)	0.9	0.7
Changes in accounting methods and Group structure	0.2	(0.2)	0.0
Allowances of the period	6.7	20.4	27.1
Releases	(5.7)	(4.0)	(9.7)
DECEMBER 31, 2021	13.3	47.3	60.6
Currency translation differences	(0.1)	(0.2)	(0.3)
Changes in accounting methods and Group structure*	(0.3)	(12.9)	(13.1)
Allowances of the period	4.6	5.5	10.2
Releases	(6.7)	(24.6)	(31.3)
DECEMBER 31, 2022	11.0	15.1	26.1

** Including the impact of the entities classified as Asset held for Sale and discontinued operations*

Following split is provided by CGU or Group of CGUs:

in millions of euros	Legal and labour related cases	Other	TOTAL
France	9.6	9.0	18.6
International	0.5	4.9	5.4
Corporate Holdings	0.9	1.2	2.1
DECEMBER 31, 2022	11.0	15.1	26.1

in millions of euros	Releases	Allowances
France	(8.2)	6.2
International	(6.4)	1.9
Corporate Holdings	(16.7)	2.1
DECEMBER 31, 2022	(31.3)	10.2

According to the agreed terms of the judicial convention of public interest (CJIP) concluded on January 17, 2022, the Group paid €15.5 million on April 4, 2022 to the French public Treasury (Ministry of Finance) and reversed the corresponding provision booked in its accounts as at December 31, 2021 (see Note 1.1.3. Litigations). The effective costs and the reversal of the provision are both recognized on the line Provision and impairment loss, net of the Consolidated income statement.

NOTE 9
LONG- AND SHORT-TERM FINANCIAL LIABILITIES

The information presented in this note includes the financial liabilities classified as held for sale in the face of the Consolidated Statement of Financial Positions which refer to intercompany financing towards the UK and Asia. It aims at displaying a fair presentation of the Group indebtedness which is mainly hold by the holding company La Financière Atalian.

9.1. BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

Financial liabilities	Short-term	Long-term		Total
in millions of euros	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	December 31, 2022
– Bonds*	4.6	1,217.9	-	1,222.5
– RCF	103.0	-	-	103.0
– Finance lease liabilities	32.8	49.5	14.6	96.9
– Factoring loans	-	-	-	-
– Other borrowings and financial liabilities	1.0	-	-	1.0
TOTAL INTEREST-BEARING BORROWINGS AT DECEMBER 31, 2022	141.4	1,267.4	14.6	1,423.4
TOTAL INTEREST-BEARING BORROWINGS AT DECEMBER 31, 2021	71.6	1,291.8	17.7	1,381.1

** bonds net of outstanding issuance costs of €(10.7) million. Issuance costs expensed in 2022 amounted to €(5.4) million.*

On 2 June 2020, the Group concluded a Term Loan guaranteed by the French State ("PGE") of €50.0 million with its main banking partners. This €50.0 million term loan had an initial maturity of 1 year and was extended for 1 year to June 2022. At the end of June 2022 the PGE had been fully repaid (see Note 10).

The Group has a revolving credit facility of €103.0 million maturing in April 2023. As of December 31, 2022 the RCF was fully drawn.
As per RCF, LFA shall ensure that the Secured Debt incurred by any member of the Group shall not exceed at any time in aggregate higher of (i) €465.0 million or (ii) 17.5% of the Total Assets.

This financing is subject to a financial covenant based on the Group's consolidated accounts. Secured Leverage Ratio (SLR) shall not exceed 1.75x. As of December 31, 2022 the financial covenant was respected. The Group has reimbursed its credit revolving facility according to its maturity per April 22, 2023.

On 5 May 2017, the Group issued a €625.0 million bond maturing in 15 May 2024 (i.e. 7 years) and bearing a coupon of 4.0%.

On 9 May 2018, with the acquisition of Servest, the Group issued two new bonds maturing on 15 May 2025 for €350.0 million and £225.0 million, respectively bearing a coupon of 5.125% and 6.625%.

These financings are subject to limited financial covenants based on the Group's consolidated accounts. At December 31, 2022 all these financial covenants were respected.

9.2. CONFIRMED CREDIT LINES

in millions of euros	Confirmed lines	Utilised lines
Bonds*	1,228.6	1,228.6
Bank borrowings**	104.8	104.8
Factoring loans***	293.3	213.8
TOTAL	1,626.7	1,547.2

** Principal, excluding issuance costs. Based on an average market value as of December 31, 2022, the fair value would amount to €939.7 million. Accrued coupon (€4.6 million) must also be taken into account if one wants to compare fair market value with accounting value.*
*** of which RCF €103 million with a maturity date in April 2023.*
**** All immediate financing from derecognised factoring contracts.*

9.3. FACTORING

Several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts.

In 2022, the UK non-recourse factoring facility has been increased by £15.0 million from £50.0 million to £65.0 million.

The non-recourse facility of €220.0 million (covering France, Belgium, Czech Republic and Poland) was extended to September 2024 in March 2023 and increased by €30.0 million to €250 million.

As at December 31, 2022, all of these contracts involved the transfer of substantially all the risks and rewards of ownership of the receivables concerned to the factoring companies, enabling the sold receivables to be derecognised. The amount of the derecognised receivables totaled €301.9 million at the year-end, providing the Group with €213.8 million of immediate financing with the difference corresponding to €25.5 million security deposit and €62.6 million to factor current account and client payments not yet deducted. The amount of immediate financing provided by deconsolidated receivables was €214.0 million as of December 31, 2021.

In addition, the Group had factored receivables for which the Group has not transferred substantially all the risks and rewards of ownership are not derecognised and remain recorded in the balance sheet under "Trade receivables", with the recognition of a corresponding financial liability. Immediate financing provided by these receivables totaled €1.2 million as of December 31, 2021, and were 0 as of December 31, 2022.

The Group has been mandated by the factoring companies to manage on their behalf the recovery of the receivables that have been sold to them.

9.4. VARIATION OF CURRENT AND NON-CURRENT FINANCIAL DEBT

in millions of euros	December 31, 2021	Cash impact		Non-cash impact & Others	December 31, 2022
		Increase	Decrease		
NON-CURRENT FINANCIAL DEBT	1,309.5	-	-	(27.5)	1,282.0
of which debts from bonds	1,226.7	-	-	(8.7)	1,217.9
of which debts from RCF	-	-	-	-	-
of which debts from leasing	77.8	-	-	(13.7)	64.1
of which debts from factoring	-	-	-	,	-
of which debts from others	5.1	-	-	(5.1)	-
CURRENT FINANCIAL DEBT	71.6	114.0	(89.2)	44.8	141.4
of which debts from bonds	4.8	-	-	(0.2)	4.6
of which debts from RCF	-	103.0	-	-	103.0
*of which debts bank borrowing and others**	30.9	11.0	(45.6)	4.6	1.0
*of which debts from leasing ***	34.8	-	(42.4)	40.4	32.8
of which debts from factoring	1.2	-	(1.2)	-	-
Gross debt	**1,381.1**	**114.0**	**(89.2)**	**17.3**	**1,423.4**
Financial instrument	2.2	-	-	(0.7)	1.5
GROSS DEBT INCL. FINANCIAL INSTRUMENT	1,383.3	114.0	(89.2)	16.7	1,424.9

** The variation includes €25.0 million of repayment in the first half year, of the French State guaranteed loan (PGE) which was fully repaid at the end of June 2022.*
*** The non cash impact on debt from leasing is related to the new IFRS16 lease contracts in 2022.*

NOTE 10
CHANGES IN NET DEBT

in millions of euros	December 31, 2022	December 31, 2021
Cash and cash equivalents *	91.1	157.0
Short-term bank loans and overdrafts **	(10.1)	(3.8)
NET CASH AND CASH EQUIVALENTS	81.0	153.2
Non-current financial liabilities	(1,282.0)	(1,309.5)
of which debts from leasing	*(64.1)*	*(77.8)*
Current financial liabilities ***	(141.4)	(71.6)
of which debts from leasing	*(32.8)*	*(34.8)*
GROSS DEBT	(1,423.4)	(1,381.1)
Financial instrument (liability)	(1.5)	(2.2)
DEBT	(1,424.9)	(1,383.3)
NET DEBT	(1,343.9)	(1,230.1)

** Net cash and cash equivalents as analysed in the statement of cash flows.*
*** Only overdrafts as at December 21, 2022 in accordance with IAS 7.8.*
**** Movements for the period mainly correspond to the change in debt resulting from the PGE and from factoring contracts not involving the transfer of substantially all the risks and rewards of ownership.*

Net debt after adding back immediate financing provided by the derecognised factoring contracts of €213.8 million as of December 31, 2022 (€214.0 million as of December 31, 2021) would amount to €(1,557.7) million as of December 31, 2022 (€(1,444.1) million as of December 31, 2021).

Government measures

In response to the Covid-19 pandemic, government implemented social, tax and economic stimulus measures to assist entities. These measures included in France a French State guarantee scheme for Large Corporates. Atalian exercised on 16 April 2021 the extension option for 1 additional year of the French State Guaranteed Loan of €50 million ('PGE'), the new maturity was June 2022. The loan has been repaid in quarterly installments of €12.5 million each, two repayments occurred in September and December 2021 one in March 2022 and the last one in June 2022.

NOTE 11
OTHER CURRENT LIABILITIES

11.1. OTHER CURRENT LIABILITIES

in millions of euros	December 31, 2022	December 31, 2021
PREPAYMENTS FROM CUSTOMERS	13.9	9.0
TRADE PAYABLES*	209.7	325.3
CURRENT TAX LIABILITIES	5.7	10.0
OTHER CURRENT LIABILITIES**	390.8	502.2
LIABILITIES RELATED TO PAYROLL TAX CREDIT PREFINANCING	-	31.4
OTHER CURRENT LIABILITIES	390.8	502.2
Employee-related liabilities	*154.7*	*201.2*
Social Security payables	*96.8*	*113.0*
Other accrued taxes	*102.1*	*141.0*
Other current payables	*31.1*	*39.3*
Deferred income	*6.1*	*7.8*

** The variation is mainly linked to liabilities classified as discontinued operations (€91 million)*
*** The variation is mainly linked to liabilities classified as discontinued operations (€107 million)*

Customer prepayments

This item includes include advances and down payments received from clients for the commencement of building works contracts.

Debts related to pre-financing CICE

Before the transformation of the CICE in January 2019, the Group pre-financed its future CICE tax credit receivables through the Banque Publique d'Investissement (BPI) and sold to BPI its estimated future receivables as a guarantee for financing received from BPI. These positions have been settled during 2022.

11.2. SHORT-TERM BANK LOANS AND OVERDRAFTS

The Group's short-term bank loans and overdrafts – which are mainly denominated in euros – amounted to €10.1 million at December 31, 2022 compared with €3.8 million at December 31, 2021. Bank credit balances and current bank overdrafts are mainly held in euros.

NOTE 12
FINANCE COSTS, NET & OTHER NET FINANCIAL INCOME AND EXPENSES

This line of the consolidated income statement reflects the impacts of the Group's financing transactions and comprises the following:

– Finance costs, net, which include interest paid on the Group's borrowings and interest received on available cash.
– Other financial income and expenses.

12.1. BREAKDOWN OF NET FINANCE DEBTS COST

in millions of euros	December 31, 2022	December 31, 2021 IFRS5
Financial expenses	(81.7)	(78.4)
Financial income	0.5	0.4
NET FINANCIAL DEBT COST	(81.2)	(78.0)
Analysis:		
– Net interest on borrowings	(74.9)	(71.5)
– Income from cash and cash equivalents	0.5	0.4
– Interest on leases	(6.8)	(6.9)
TOTAL	(81.2)	(78.0)

12.2. BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros	December 31, 2022	December 31, 2021 IFRS5
Net (additions to)/reversals of provisions for financial items	(2.7)	(1.5)
Foreign exchange gains and losses	(7.3)	(1.1)
Other	1.3	(1.5)
OTHER FINANCIAL INCOME AND EXPENSES	(8.7)	(4.1)

The line Other includes the impact of hyperinflation IAS 29 accounting treatment in Turkey for €1.9 million.

NOTE 13
LEASES

The Group has chosen to apply these two capitalization exemptions proposed by the standard:
– contracts with a lease term of less than 12 months
– contracts with value of underlying assets of less than €5,000. Expenses relating to contracts with a term of less than 12 months and/or with a value of less than €5,000 and (for which the Group has chosen exemptions which are provided for in IFRS 16) represent: €9.6 million for the Group as a whole as at December 31, 2022.

The lessee is required to record:
– a non-current asset representing the right to use the lease asset (on the assets side of the consolidated statement of financial position)
– a financial debt represented the obligation to pay this right (on the liabilities side of the consolidated statement of financial position)
– depreciation expenses and interest expenses in the consolidated income statement.

Duration of assets assumptions:
The lease term for Real estate contracts corresponds to the non-cancellable period and is supplemented with the option of renewal (or termination) for certain contracts of which the exercise for the Group is considered reasonably certain.

Discount rate assumptions:
A unique discount rate is determined for each portfolio of homogeneous contracts. Discount rates are based on the marginal borrowing rate (or implicit rate of contracts where available) by currency, taking into account, in particular, the economic environments specific to each geographical area.

13.1. FIXED ASSETS

The tangible and intangible assets held by the Group are allocated as below:

in millions of euros	December 31, 2022
Tangible assets excluding Right-of-use	36.0
Right-of-use	92.8
TOTAL	128.8
Intangible assets	10.7
TOTAL	10.7

The main leasing contracts include real estate, vehicles and materials & equipment.

13.2. BREAKDOWNS OF RIGHT-OF-USE

GROSS in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
DECEMBER 31, 2021	76.2	78.2	52.8	1.7	208.9
Currency Translation differences	1.5	(1.5)	(0.3)	-	(0.2)
Impact assets held for sale and discontinued operations	(6.3)	(30.2)	(1.0)	(0.9)	(38.5)
Changes in Group structure	(0.5)	(0.7)	0.5	-	(0.6)
Acquisitions	21.1	33.5	19.8	1.2	75.6
Disposals, reductions and others	(19.9)	(21.8)	(14.6)	(0.6)	(56.8)
DECEMBER 31, 2022	72.2	57.4	57.3	1.5	188.4

AMORTISATION AND LOSS OF VALUE in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
DECEMBER 31, 2021	(29.6)	(38.9)	(33.0)	(0.7)	(102.1)
Currency Translation differences	(0.1)	0.5	0.1	-	0.5
Impact assets held for sale and discontinued operations	2.2	12.0	0.2	0.3	14.7
Changes in Group structure	0.3	0.4	0.4	-	1.1
Depreciation expense	(12.9)	(25.9)	(14.5)	(0.4)	(53.6)
Disposals, reductions and others	11.0	19.2	13.1	0.6	43.8
DECEMBER 31, 2022	(29.0)	(32.7)	(33.8)	(0.2)	(95.6)

NET in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
DECEMBER 31, 2021	46.7	39.3	19.8	1.1	106.8
DECEMBER 31, 2022	43.3	24.7	23.5	1.3	92.8

NOTE 14
INCOME TAX EXPENSE

CVAE

In accordance with IAS 12, the Group has elected to classify the CVAE contribution (A French tax based on a contribution on the added value) as an income tax and therefore to recognise the CVAE expense under the "Income tax expense" line in the consolidated income statement.

14.1. BREAKDOWN OF THE NET TAX CHARGE

	December 31, 2022			December 31, 2021		
in millions of euros	France	Other countries	Total	France	Other countries	Total
Current income taxes	(1.8)	(2.5)	(4.3)	(5.6)	(4.3)	(9.9)
Deferred taxes	(10.8)	(7.2)	(18.1)	(5.7)	3.1	(2.6)
CVAE	(7.9)	-	(7.9)	(7.6)	-	(7.6)
TOTAL	(20.5)	(9.7)	(30.3)	(18.9)	(1.2)	(20.1)

14.2. RECONCILIATION BETWEEN THEORETICAL AND EFFECTIVE TAX CHARGE (TAX PROOF)

in millions of euros	2022	2021
Net income from continuing operations	(185.8)	(46.0)
Income taxes	(30.3)	(20.1)
Pre-tax income excl. Equity entities	(155.5)	(25.9)
French corporate income tax rate	25.83%	28.40%
THEORETICAL TAX EXPENSE	40.2	7.3
Difference between French and foreign income tax rates	0.3	0.4
Permanent differences	4.7	(6.6)
Effect of unrecognised deferred tax assets*	(40.3)	(16.7)
Other	(26.5)	3.1
INCOME TAX EXPENSE	(22.4)	(12.5)
Other taxes (CVAE)	(7.9)	(7.6)
TOTAL INCOME TAX EXPENSE	(30.3)	(20.1)

**mainly related to the losses of the current year*

Under new French tax legislation, tax losses carried forward are only available to offset against the first €1 million of annual taxable profit, plus 50% of taxable profit exceeding that amount.

The portion that cannot be offset in a given year may, however, be carried forward to subsequent years in which the losses will be offset subject to the same conditions (i.e. offset against €1 million in taxable profit + 50% of taxable profit for the year > €1 million).

In the case of a tax consolidation group, this rule is applicable at the level of the head of the tax group.

The Atalian Group has three tax groups in France ("La Financière Atalian", "Atalian Propreté", "Atalian Sûreté"), as well as tax groups in the US.

NOTE 15
OFF-BALANCE SHEET COMMITMENTS

The notes below provide a summary of the Group's guarantee commitments and other contractual commitments.

15.1. GUARANTEE COMMITMENTS

in millions of euros	December 31, 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Pledges, mortgages and collateral	1.0	0.0	0.0	1.0
Guarantees and endorsements given	61.8	32.3	4.7	24.8
Out of which disposed African entities*	2.1	0.4	0.0	1.7
Out of which entities from discontinued activities**	5.0	1.4	0.8	2.8
TOTAL GUARANTEE COMMITMENTS GIVEN	62.8	32.3	4.7	25.8

** Comfort letters related disposed African entities, not yet formally released at year end 2022, and will be released in 2023.*
*** Guarantees and endorsements given to entities from discontinued activities still outstanding at year end 2022, and will be released following the closing of the transaction.*

When the expiry date of guarantees and endorsements given is not specified, they have been classified as "due within 1 year". Atalian Financials' senior notes issued in May 2017 and May 2018 are guaranteed by certain subsidiaries for the amount they received for each issue.

Senior notes	Issuer	Amounts	Guarantor *
Senior Notes 2025 (issue 2018)	La Financière Atalian	€350 million & £225 million	Atalian SASU Atalian Europe SA Atalian Global Services UK2 Ltd**
Senior Notes 2024 (issue 2017)	La Financière Atalian	€625 million	Atalian SASU Atalian Propreté Atalian Europe SA Atalian Global Services UK2 Ltd**

** Amount of the guarantee limited to the portion of the amount of the issue for which the subsidiary concerned has benefited*
*** Following the disposal of the UK entities per February 28, 2023, this entity will then no longer be a Guarantor*

15.2. MISCELLANEOUS CONTRACTUAL COMMITMENTS

in millions of euros	December 31, 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Commitments from factoring companies [1]	293.3	293.3	0.0	0.0
RCF [2]	103.0	103.0	0.0	0.0
TOTAL MISCELLANEOUS CONTRACTUAL COMMITMENTS RECEIVED	396.3	396.3	0.0	0.0

[1] of which €213.8 million have been used. The part related to assets held for sale represents €73.3 million of which €46.2 million has been used.
[2] completely drawn at December 31, 2022

The non-recourse facility of €220 million was extended to September 2024 in March 2023 and increased by €30 million to €250 million (see Note 9.3).

15.3. COLLATERAL GRANTED

The shares held by Atalian SASU in the capital of Atalian Propreté, which represent 90.5% of the share capital, are pledged to Atalian SASU's lenders under the syndicated loan agreement entered into by Atalian SASU for an initial amount of €75.0 million. This amount was increased to €98.0 million on 24 July 2018 and then to €103.0 million on 9 January 2019.

NOTE 16
HEADCOUNT

	2022	2021
- Managers	615	716
- Supervisors	6,201	6,231
- Other employees	25,132	25,450
TOTAL FRANCE	31,948	32,397
INTERNATIONAL	22,760	27,878
TOTAL AVERAGE NUMBER OF EMPLOYEES	54,708	60,275

The FTE (Full Time Equivalent) for the entities (UK, Aktrion and Asia) reported as discontinued activities aren't disclosed for 2021 and 2022.

For International, the reduction of FTE (Full Time Equivalent) mostly come from the sale of the African entities.

NOTE 17
OTHER NOTES

17.1. BREAKDOWN OF STATUTORY AUDITORS' FEES

2022 Audit Fees for the Statutory Auditors and members of their networks for their audit of the consolidated financial statements of La Financière Atalian and its subsidiaries can be analysed as follows.

	December 31, 2022			December 31, 2021		
in millions of euros	Bugeaud	EY	Total	Bugeaud	EY	Total
Audit of individual or consolidated accounts by the Statutory Auditors or members of their network						
- La Financière ATALIAN	0.4	0.4	**0.8**	0.4	0.4	**0.8**
- Subsidiaries	0.5	2.9	**3.4**	0.5	2.7	**3.2**
Services other than auditing provided by the Statutory Auditors or members of their network*						
- La Financière ATALIAN	-	2.9	**2.9**	-	0.6	**0.6**
- Subsidiaries	-	0.3	**0.3**	-	1.6	**1.6**
TOTAL	0.9	6.5	7.4	0.9	5.3	6.2
- La Financière ATALIAN	0.4	3.3	**3.7**	0.4	1.0	**1.4**
- Subsidiaries	0.5	3.2	**3.7**	0.5	4.3	**4.8**

Audit of individual or consolidated accounts by the Statutory Auditors or members of their network
Services other than auditing provided by the Statutory Auditors or members of their network*

** Non-audit services mainly include services required by legal and regulatory texts; services relating to agreed-upon procedures; certifications; services provided during the acquisition or disposal of entities; and technical consultations on accounting, taxation or any other audit-related topic.*

17.2. LITIGATION AND CLAIMS

In the ordinary course of the business, Atalian is involved in a certain number of judicial proceedings.
Atalian is also subject to certain claims and lawsuits which fall outside the scope of ordinary course of its business, the most significant being disclosed on Note 1.2 Significant event after December 31, 2022.

The amount of provisions made is based on Atalian's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and the arguments in its defense, it being specified that the occurrence of events during proceeding may lead to a reappraisal of the risk at any moment.

NOTE 18
LIST OF CONSOLIDATED ENTITIES

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
FULLY CONSOLIDATED COMPANIES			
FRANCE			
STRUCTURE			
LA FINANCIÈRE ATALIAN	France	100	FC
ATALIAN	France	100	FC
ATALIAN SERVICES INFORMATIQUES	France	100	FC
ATALIAN FACILITIES	France	100	FC
SCI SAINT APOLLINAIRE	France	100	FC
SCI AMPÈRE LA MAINE	France	100	FC
SCI FJ PART INVEST France	France	100	FC
CLEANING			
DRX	France	90.5	FC
TNEX	France	90.5	FC
ATALIAN PROPRETE	France	90.5	FC
EPPSI	France	90.5	FC
USP NETTOYAGE	France	90.5	FC
CARRARD SERVICES	France	90.5	FC
PROBUS	France	90.5	FC
DPS	France	90.5	FC
FINANCIERE DES SERVICES	France	90.5	FC
LIMPA	France	90.5	FC
BBA	France	90.5	FC
ATALIAN 3D	France	100	FC
SECURITY			
ATALIAN SÉCURITÉ HOLDING	France	100	FC
ATALIAN SÉCURITÉ	France	100	FC
ATALIAN SÛRETÉ	France	94.84	FC
AIRPORT PASSENGERS & FREIGHT SECURITY	France	94.13	FC
ATALIAN SÉCURITÉ TECHNOLOGIQUE	France	94.84	FC
SURVEILLANCE HUMAINE ATALIAN PREMIUM	France	100	FC
APFS Lyon	France	94.13	FC
MULTITECHNICAL			
ATALIAN INGÉNIERIE DES SERVICES	France	100	FC
MAINTENANCE TECHNIQUE OPTIMISÉE (MTO)	France	100	FC
EUROGEM	France	100	FC
ETS DIDIER BERNIER	France	100	FC
ERGELIS	France	100	FC
GROUPE CADIOU	France	100	FC
ARCEM	France	100	FC
CEI	France	100	FC
PPR			
TFN PPR	France	100	FC

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
LETUVE	France	100	FC
GERMOT	France	100	FC
INTERNATIONAL			
EUROPE			
BE-ATALIAN MANAGEMENT SERVICES NV	Belgium	100	FC
BE-TEMCO REAL ESTATE BVBA	Belgium	100	FC
BE-ATALIAN SA	Belgium	100	FC
BE - GREEN KITCHEN	Belgium	100	FC
BE - ATALIAN BUILDING SOLUTIONS NV	Belgium	100	FC
BE - ATALIAN GLOBAL SERVICES HOLDING	Belgium	100	FC
LU-ATALIAN GLOBAL SERVICES Luxembourg	Luxembourg	100	FC
LU-ATALIAN EUROPE	Luxembourg	100	FC
LU-MTO Luxembourg	Luxembourg	100	FC
LU-CITY ONE Luxembourg	Luxembourg	50	FC
LU-ATALIAN INTERNATIONAL	Luxembourg	100	FC
LU-ATALIAN AFRIQUE	Luxembourg	100	FC
NL-ATALIAN SCHOONMAAK ZW BV	Netherlands	100	FC
NL-ATALIAN BV	Netherlands	100	FC
NL-ATALIAN FACILITAIR BV	Netherlands	100	FC
NL-GREEN KITCHEN BV	Netherlands	100	FC
NL-ATALIAN SCHOONMAAK NO BV	Netherlands	100	FC
NL-ATALIAN SCHOONMAAK+ BV	Netherlands	100	FC
CZ-ATALIAN CZ sro	Czech Republic	100	FC
CZ-ATALIAN SERVIS CZ sro	Czech Republic	100	FC
CZ-AGUA PRAGUE sro	Czech Republic	100	FC
HU-ATALIAN GLOBAL SERVICES HUNGARY	Hungary	100	FC
HU-ATALIAN FACILITY MANAGEMENT & GLOBAL SERVICES	Hungary	100	FC
HR-ATALIAN GLOBAL SERVICES	Croatia	96.81	FC
HR - TEHINSPEKT	Croatia	73.57	FC
RO-ATALIAN ROMANIA	Romania	100	FC
RO-IQ REAL ESTATE	Romania	100	FC
RO-MT&T PROPERTY MANAGEMENT SRL	Romania	100	FC
SK-ATALIAN	Slovakia	100	FC
PL-ATALIAN POLAND	Poland	100	FC
PL-ASPEN HOLDING	Poland	100	FC
PL-ASPEN Sp. Z.o.o.	Poland	100	FC
PL-ASPEN SERWIS	Poland	100	FC
PL-ATALIAN SERVICE	Poland	100	FC
TR-ATALIAN ENTEGRE TESIS YONETIMI HIZMETLERI A.S	Turkey	100	FC
TR-EKOL TEKNIK TEMIZLIK BAKIM YÖNETIM HIZMETLERI ve TICARET A.S	Turkey	100	FC
TR-E GRUP GÜVENLIK HIZMETLERI Ltd. STI	Turkey	100	FC
TR-EVD ENERGY	Turkey	100	FC
RU-ATALIAN GLOBAL SERVICES	Russia	98	FC
RU-ATALIAN ENGINEERING	Russia	98	FC
RU-ESPRO ENGINEERING	Russia	98	FC
RU-NOVY DOM	Russia	92.1	FC

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
RU-CLEANING PROFI	Russia	92.1	FC
RU-PROF KLIM	Russia	92.1	FC
RU-AFM2	Russia	98	FC
BY - ATALIAN	Belarus	65	FC
RS-ATALIAN LTD BELGRADE	Serbia	100	FC
RS-ATALIAN GLOBAL SERVICES - RS DOO BEOGRAD	Serbia	100	FC
RS-MOPEX TEKUCE ODRZAVANJE D.o.o.	Serbia	100	FC
BA-ATALIAN GLOBAL SERVICES BH d.o.O. Sarajevo	Bosnia	96.81	FC
BA-ATALIAN GLOBAL SERVICES Banja Luka	Bosnia	96.81	FC
USA			
US-ATALIAN GLOBAL SERVICES INC	United States	100	FC
US-ATALIAN US NORTHEAST LLC	United States	100	FC
US-ATALIAN US SHARED SERVICES LLC	United States	100	FC
US-SPARTAN SECURITY SERVICES INC	United States	100	FC
US-ATALIAN US OHIO VALLEY INC	United States	100	FC
US-ATALIAN US NEW ENGLAND LLC	United States	100	FC
US-ATALIAN US MIDWEST LLC	United States	100	FC
CA-ATALIAN CANADA	Canada	100	FC
ASIA			
IN - RAMKY ATALIAN PVT LTD	India	70	FC
AFRICA			
MU-ATALIAN INTERACTIVE	Mauritius	100	FC
LB-ATALIAN SWITCH GROUP	Lebanon	51	FC
LB-AGS HOLDING LIBAN	Lebanon	100	FC

COMPANIES IMPACTED BY IFRS5			
UK			
GB - ATALIAN SERVEST HOLDINGS LIMITED	United Kingdom	100	FC
GB - ATALIAN SERVEST GROUP HOLD Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST GROUP Ltd	United Kingdom	100	FC
GB - SERVEST GROUP Ltd (cleaning)	United Kingdom	100	FC
GB - SERVEST PEST CONTROL Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST SECURITY Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST FOOD CO Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST AMK Ltd	United Kingdom	100	FC
GB - THERMOTECH SOLUTIONS Ltd	United Kingdom	100	FC
GB - ENSCO 1194 Ltd	United Kingdom	100	FC
GB - FIRE AND AIR SERVICES Ltd	United Kingdom	100	FC
GB - OAKWOOD TECHNOLOGY GROUP Ltd	United Kingdom	100	FC
GB - OAKWOOD AIR CONDITIONING Ltd	United Kingdom	100	FC
GB - THERMOTECH FIRE PROTECTION Ltd	United Kingdom	100	FC
GB - THERMOTECH MECHANICAL SERVICES Ltd	United Kingdom	100	FC
GB - SERVEST AKTRION Ltd	United Kingdom	100	FC
GB - ALPHA FACILITIES MANAGEMENT	United Kingdom	100	FC
GB - ATALIAN SERVEST INTEGRATED SOLUTIONS Ltd	United Kingdom	100	FC

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
GB - ATALIAN SERVEST Ltd	United Kingdom	100	FC
GB - INCENTIVE FM GROUP Ltd	United Kingdom	100	FC
GB - INCENTIVE FACILITIES MANAGEMENT Ltd	United Kingdom	100	FC
GB - INCENTIVE SUPPORT SERVICES Ltd	United Kingdom	100	FC
GB - INCENTIVE QAS Ltd	United Kingdom	100	FC
GB - SPECIALISED WINDOW CLEANING Ltd	United Kingdom	100	FC
GB - WES (HOLDINGS) Ltd	United Kingdom	100	FC
GB - WESTON ELECTRICAL & MECHANICAL SERVICES Ltd	United Kingdom	100	FC
GB - INCENTIVE TEC FIRE & SECURITY SYSTEMS Ltd	United Kingdom	100	FC
GB - INCENTIVE CONSULTANCY Ltd	United Kingdom	100	FC
GB - INCENTIVE TEC Ltd	United Kingdom	100	FC
GB - AIR CONDITIONING ECONOMICS (HOLDINGS) Ltd	United Kingdom	100	FC
GB - ACE ENVIRONMENTAL ENGINEERING Ltd	United Kingdom	100	FC
GB - INCENTIVE FM Ltd	United Kingdom	100	FC
GB - INCENTIVE LYNX SECURITY Ltd	United Kingdom	100	FC
GB - ARL SUPPORT SERVICES Ltd	United Kingdom	100	FC
IE - SERVEST IRELAND Ltd	Ireland	100	FC
ASIA			
SG-ATALIAN SINGAPORE HOLDING Pte Ltd	Singapore	100	FC
SG-ATALIAN SERVICES Pte Ltd	Singapore	80	FC
SG-ATALIAN PEST SOLUTIONS Pte Ltd	Singapore	80	FC
SG-ATALIAN LANDSCAPING SERVICES Pte Ltd	Singapore	80	FC
SG-ATALIAN ASIA HOLDING LIMITED	Singapore	100	FC
HK-ATALIAN ASIA HOLDING LIMITED	Hong-Kong	100	FC
TH- ATALIAN HOLDING THAILAND	Thailand	100	FC
TH-ATALIAN FACILITIES MANAGEMENT Co	Thailand	100	FC
TH-AGS THAILAND	Thailand	100	FC
TH-ATALIAN PGS SECURITY THAILAND CO Ltd	Thailand	100	FC
TH-THE GUARDS	Thailand	100	FC
TH-PS GUARDS HOLDING SECURITY GUARD Co Ltd	Thailand	100	FC
TH-PSS CLEANING AND SERVICE	Thailand	100	FC
TH-SECURITY GUARD ARM PROTECTION Co. Ltd	Thailand	100	FC
ID-PT ATALIAN INDONESIA	Indonesia	100	FC
ID-AGS INDONESIA	Indonesia	100	FC
ID-ATALIAN FACILITY SERVICES	Indonesia	100	FC
ID-RAFINDO ANUGRAH SUKSES	Indonesia	100	FC
ID-AGS CENTRAL JAVA	Indonesia	100	FC
ID-ATALIAN PEST MANAGEMENT	Indonesia	100	FC
MY-ATALIAN MALAYSIA	Malaysia	100	FC
MY-ATALIAN MANAGEMENT SERVICES ASIA Sdn Bhd	Malaysia	100	FC
MY-ATALIAN GLOBAL SERVICES Sdn Bhd	Malaysia	100	FC
PH-ATALIAN PHILIPPINES HOLDING Ltd	Philippines	100	FC
PH-AGS PHILIPPINES	Philippines	67	FC
PH-ABLE	Philippines	60	FC
KH-AGS CAMBODIA	Cambodia	71	FC
KH - AFM CAMBODIA	Cambodia	85.5	FC

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
IN - AGS FACILITIES PRIVATE LTD	India	100	FC
AKTRION			
GB - AKTRION HOLDINGS ltd	United Kingdom	100	FC
GB - AKTRION GROUP Ltd	United Kingdom	100	FC
GB - AKTRION MANUFACTURING SUPPORT SERVICES Ltd	United Kingdom	100	FC
GB - AKTRION GASSER UK Ltd	United Kingdom	100	FC
FR - AKTRION FRANCE SAS	France	100	FC
BE - AKTRION BELGIUM	Belgium	100	FC
CZ - AKTRION Z.s.r.o	Czech Republic	100	FC
ES - AKTRION IBERIA SRL	Spain	100	FC
HU - AKTRION HUNGARY Kft	Hungary	100	FC
RO - AKTRION ROMANIA SRL	Romania	100	FC
SK - AKTRION SLOVAKIA s.r.o.	Slovakia	99	FC
PL - AKTRION POLAND Sp Z.o.o.	Poland	100	FC
PT - AKTRION PORTUGAL	Portugal	100	FC
DE - AKTRION GmbH	Germany	100	FC
COMPANIES ACCOUNTED BY EQUITY METHOD			
LU - BOTEGA INVESTCO SARL (GETRONICS)	Luxembourg	27.18	EA

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