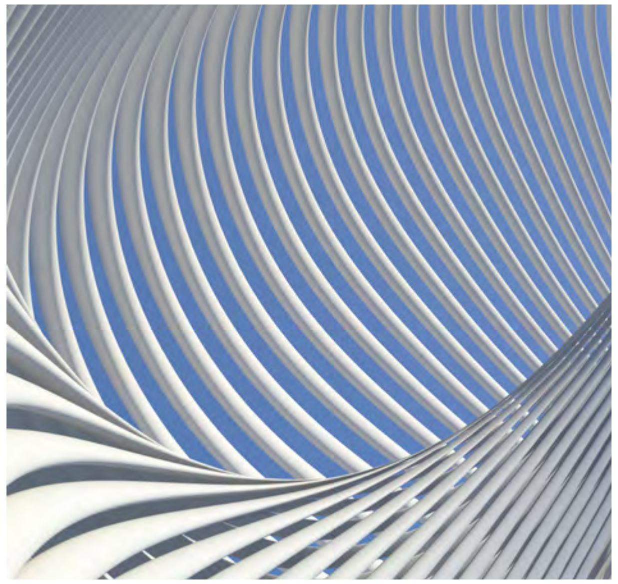
ATALIAN 2019

ATALIAN
GLOBAL SERVICES

ATALIAN
2019



Message from the Chairman

Franck Julien

Atalian in 2019

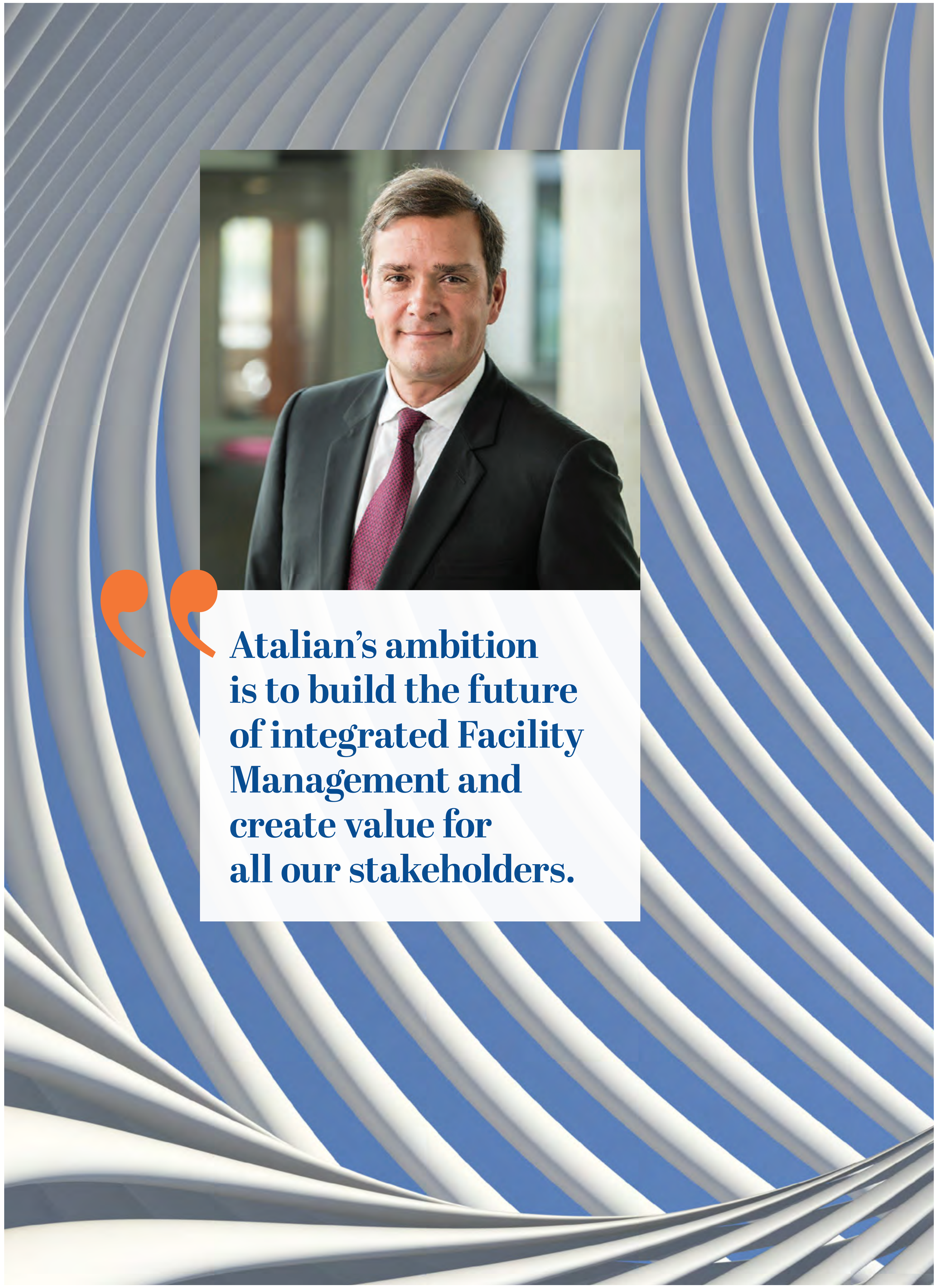
The Atalian model

A Facility Management key player

Corporate social responsibility

Risk factors

Financial Performance



> **Atalian's ambition is to build the future of integrated Facility Management and create value for all our stakeholders.**

Ambition, more than ever.

2019 was a very important year for Atalian. It witnessed a key stage for our Group, and a new chapter of its history. In 10 years of very swift international development, our Group became one of the top five world players in FM. We have come a long way since the days when we were a small family business, however, to achieve new heights, Atalian must strengthen its foundations, transform, and reinvent itself.

This is why, in 2019, I returned to the helm, revamped the Group's governance, and appointed a senior management team capable of living up to these new ambitions.

My objective, by 2022, is to consolidate Atalian's position as a world class key player in Facility Management, a well-structured company, with exemplary management, at the forefront of our industry.

I want to pursue and accelerate the development of **a customer-driven organisation** to deliver the highest quality services and solutions, meeting and anticipating major economic and social challenges.

Next, I want us to be **the reference for our industry**, designing the future of Facility Management, by offering FM services that include building management and energy management. We will focus on new technologies and data analysis to enhance productivity and excellence, and offer our customers a truly unique line of services and solutions.

Finally, I want us to continue to **create and share value with all of our stakeholders:** our customers, of course; the investors who make possible our development; our suppliers and partners, the communities we impact; and of course, our 137,000 employees who are our strength and an essential asset that must be protected and developed.

I am convinced that we will achieve this ambition. All of our efforts in 2019, and the work we do every day, are paying off. Together, we can move forward with confidence.

Franck Julien,
Group Chairman and CEO

Atalian in 2019

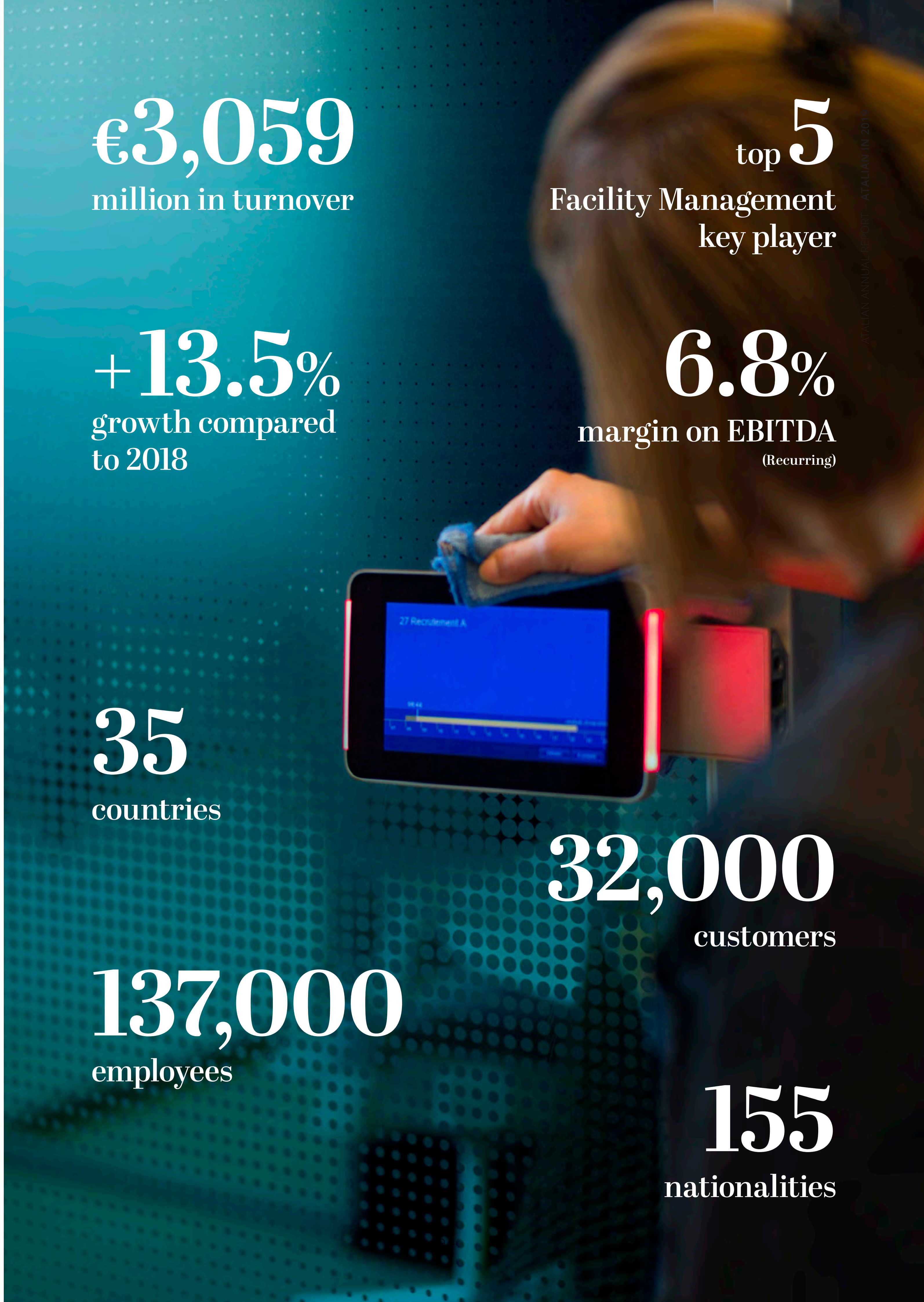
Atalian, a leader in Facility Management

The Atalian Group is a global leader in Facility Management. The Group is an independent enterprise, operating in 35 countries on four continents. It supports businesses and organisations that need to outsource services, by providing them with custom value-added solutions that free them up to focus on their core business. Atalian works in a vast range of industries and environments. We provide a comprehensive range of services to meet the strictest requirements.

- Cleaning & related services
- Security, Surveillance, & Safety
- Multi-technical services
- Catering
- Integrated FM
- Other services

Operating environments and sectors

- Offices
- Mass retail
- Public areas
- Sales & service areas
- Healthcare establishments
- Industries



€3,059 million in turnover

top 5 Facility Management key player

+13.5% growth compared to 2018

6.8% margin on EBITDA (Recurring)

35 countries

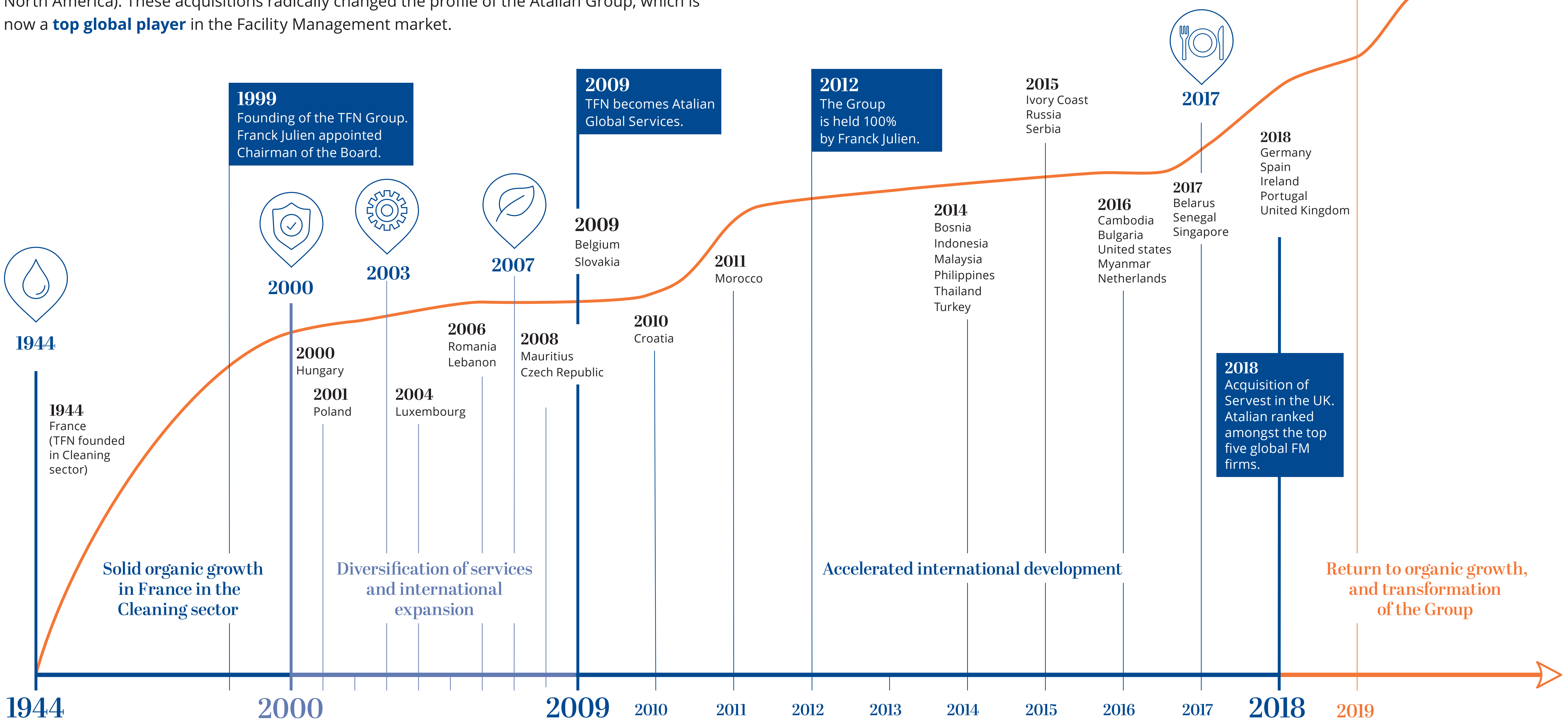
32,000 customers

137,000 employees

155 nationalities

Atalian, an international success story

In 1944, Mr Julien founded a company called TFN specialised in cleaning buildings. Years later, this French family business grew into the global Atalian Group we know today. The Group went through different development phases. From 2000 to 2009, **it diversified,** adding specialties such as security, multi-technical, and landscaping, forming a comprehensive line of FM services. The Group established affiliates in Europe, the Middle East, and the Indian Ocean.
Starting in 2009, **the Group accelerated its international development plan** with several acquisitions extending its geographic footprint to four continents (Europe, Africa, Asia, and North America). These acquisitions radically changed the profile of the Atalian Group, which is now a **top global player** in the Facility Management market.



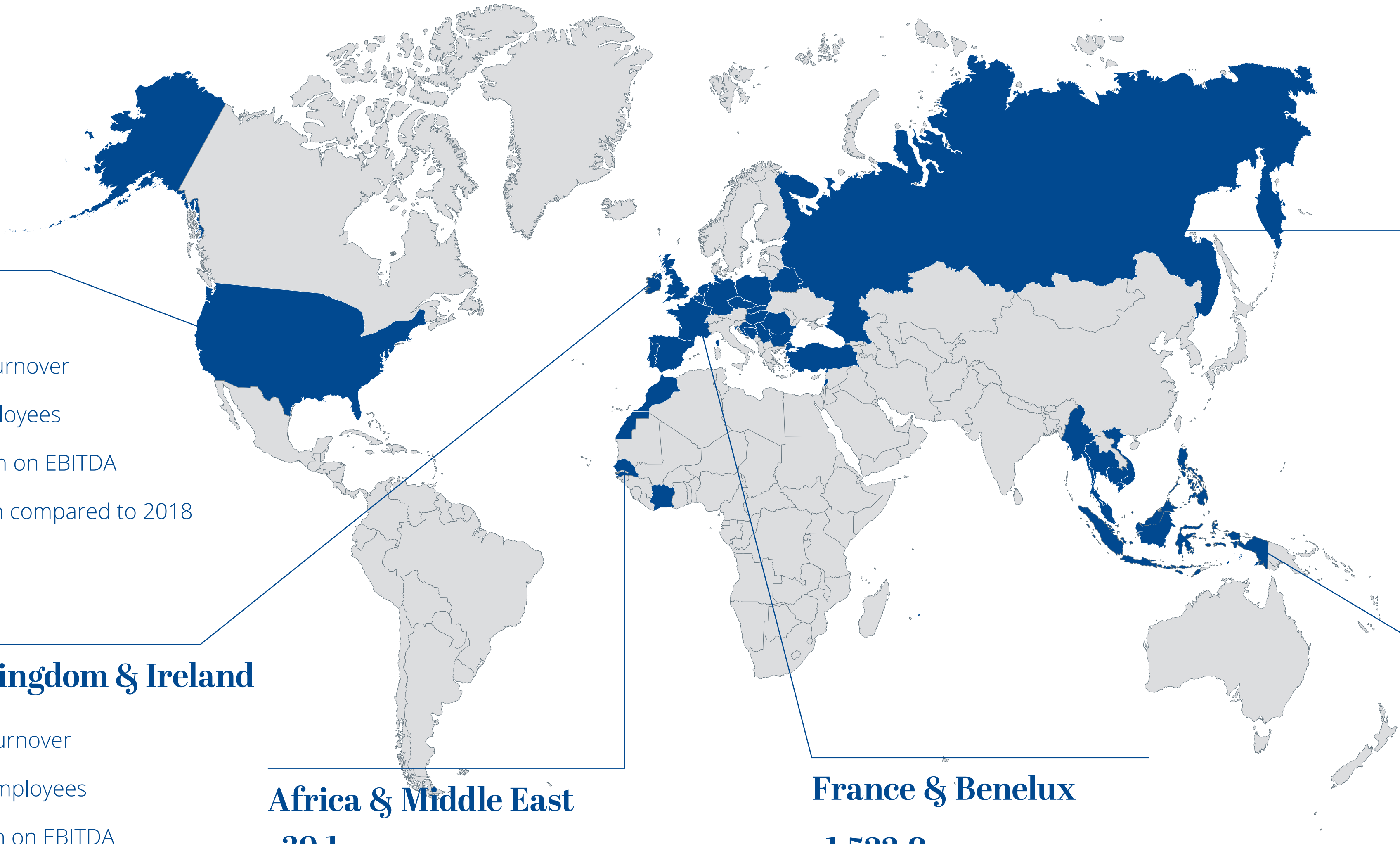
Global footprint

Europe
Belarus
Belgium
Bosnia
Bulgaria
Croatia
Czech Republic
France
Germany
Hungary
Ireland
Luxembourg
Netherlands
Poland
Portugal
Romania
Russia
Serbia
Slovakia
Spain
Turkey
United Kingdom

Africa & Middle East
Ivory Coast
Lebanon
Mauritius
Morocco
Senegal

Asia
Cambodia
Indonesia
Malaysia
Myanmar
Philippines
Singapore
Thailand
Vietnam

America
USA



USA

€210.1 M turnover
5,100 employees
0.9% margin on EBITDA
4.4% growth compared to 2018

United Kingdom & Ireland

€795.7 M turnover
28,000 employees
6.4% margin on EBITDA
56.8%* growth compared to 2018

Africa & Middle East

€39.1 M turnover
14,600 employees
9.3% margin on EBITDA
26.7% growth compared to 2018

France & Benelux

€1,522.8 M turnover
56,700 employees
9.4% margin on EBITDA
4.5% growth compared to 2018

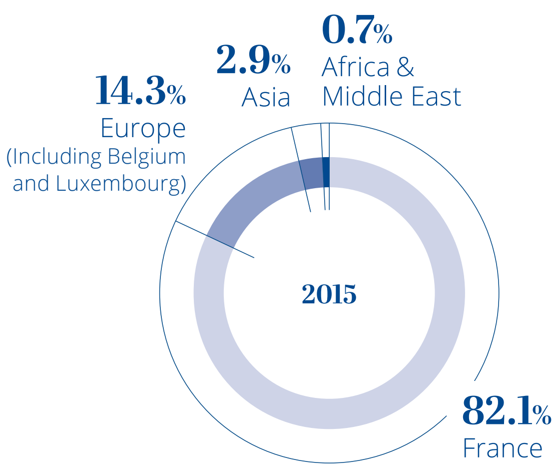
Central and Eastern Europe
(Excluding UK & Ireland, France & Benelux)

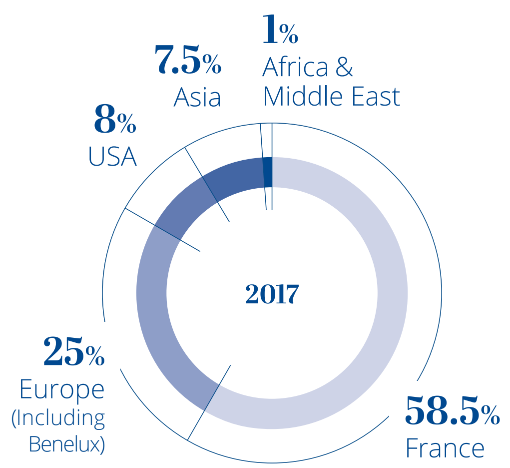
€333.3 M turnover
13,300 employees
6.3% margin on EBITDA
2.4% organic growth compared to 2018

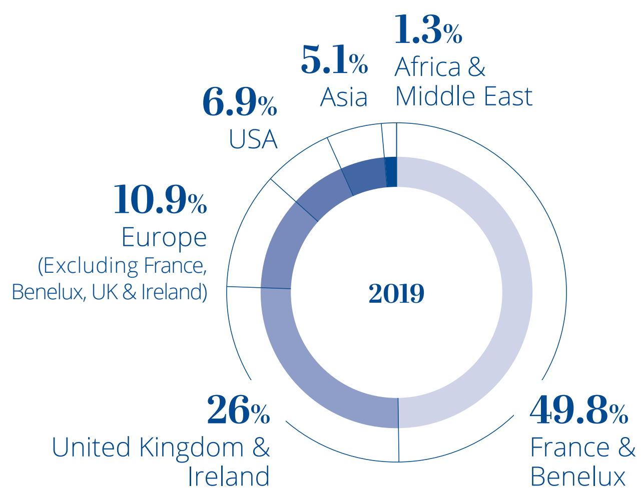
Asia

€155.5 M turnover
19,300 employees
8.6% margin on EBITDA
4% growth compared to 2018

WEIGHT OF REGIONS IN THE WORLD







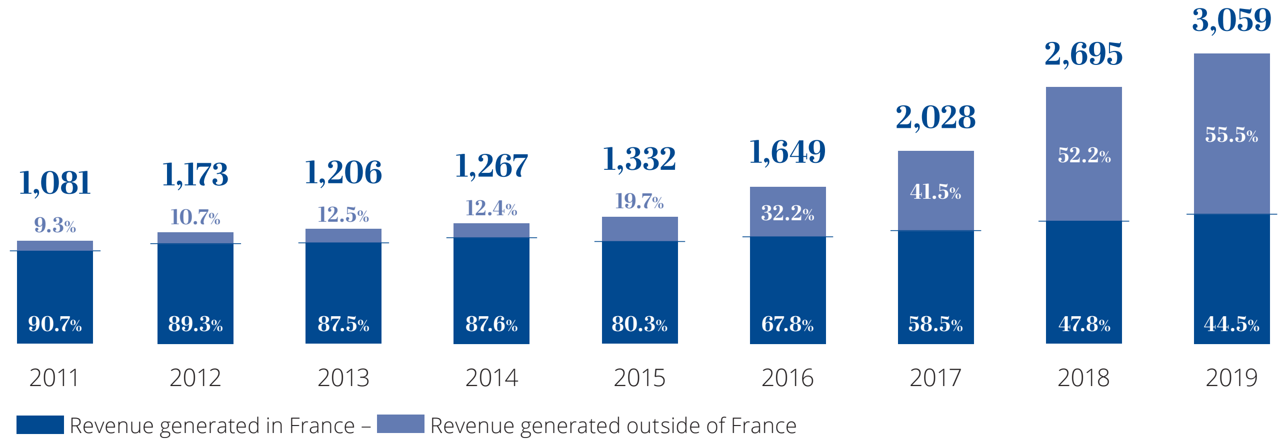
* *Full year consolidation of Servest in 2019*

Our financial and extra-financial performance

Rapid growth boosted by international business

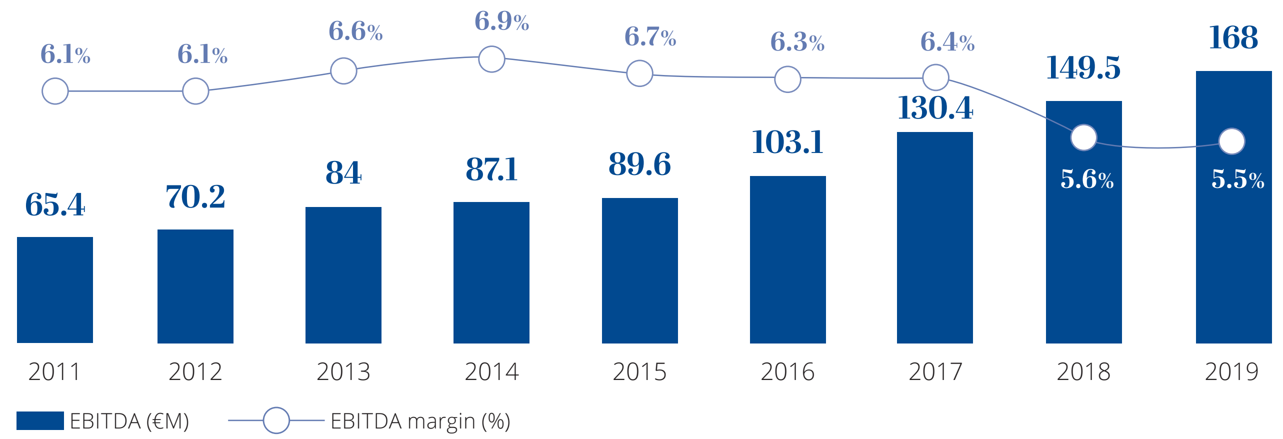
REVENUE VARIATION AND SPLIT BETWEEN FRANCE AND NTERNATIONAL

In millions of euros



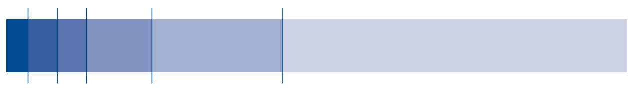
Solid profitability

EBITDA AND EBITDA MARGIN TREND PRE-IFRS16



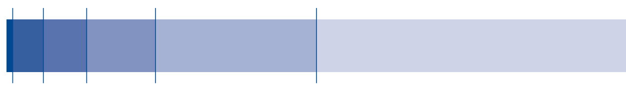
BREAKDOWN OF 2019 BUSINESS

By business line



- 3% Integrated FM
- 4% Landscaping & other services
- 4% Catering
- 9% Security, Surveillance, & Safety
- 18% Multi-technical services
- 62% Cleaning & related services

By region



- 1,3% Africa
- 5,1% Asia
- 6,9% USA
- 10,9% Europe (Excluding France, Benelux, UK & Ireland)
- 26% United Kingdom & Ireland
- 49,8% France & Benelux

A socially committed Group

66/100
Gold
EcoVadis rating

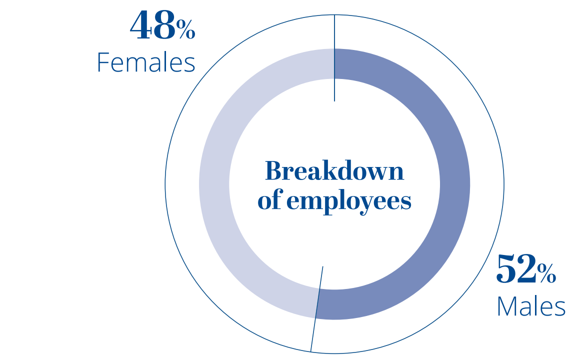
68%
of revenue generated by entities certified ISO 45001 or OHSAS 18001

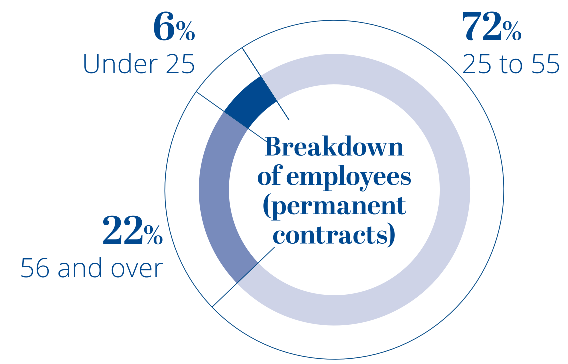
79%
of employees on open-ended contracts

35,000
employees trained

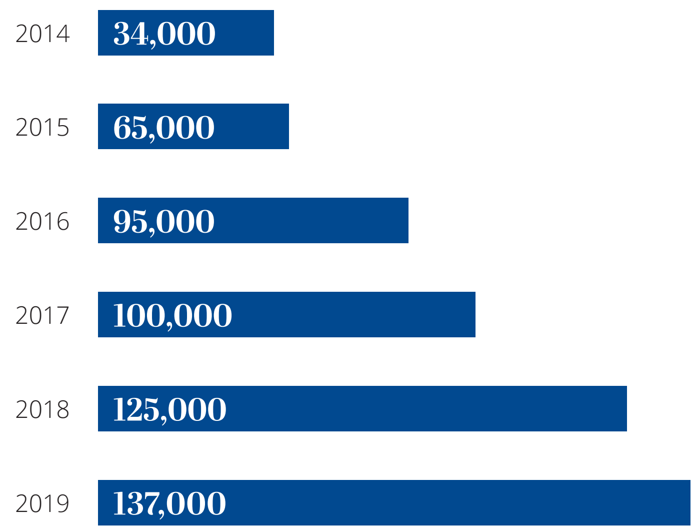
572,540
hours of training provided

89%
Portion of Group turnover from countries with ISO 14001 certification (or equivalent)





EMPLOYMENT VARIATION



"2019 was a pivotal year for Atalian.

Interview with Jean-Jacques Gauthier

Deputy CEO & Group CFO

How would you assess the year 2019 for the Atalian Group?

Atalian experienced a decisive year for the continued development of its business and the fulfilment of its challenging ambitions. After enjoying several years of strong growth through acquisitions, both in France and abroad, the Group must now reinforce its foundations, redesign its governance and structure, redefine its strategy, and return to its historical levels of operational and financial performance in an effort to reach a new level in two or three years' time.

In 2019, the Group thus began a new chapter in its corporate history. Originally a family Group of French origin, it grew rapidly across several continents. It is now an international Group, taking the necessary steps to be structured and managed like a blue chip company, which remains family-owned.

How was this transition initiated and managed in 2019?

After a tough 2018, marked by an increase in outstanding debt resulting from the numerous acquisitions made over the last few years and a decline in operating margins, Franck Julien approached me at the beginning of 2019 to join Atalian in order to initiate a profound transformation of his company. We thus brought onto the Board of Directors independent personalities of the highest quality and experience. At the same time, with Franck Julien and Rob Legge joining us on the Management Board, we put in place a completely new management team. Made up of highly experienced managers from major international Groups or having in-depth knowledge of Atalian, this team is truly commensurate with the Group's challenges and ambitions.

This renewed management team will enable us to implement the Group's 2020-2022 transformation strategy by capitalising on **the full deployment of our tremendous portfolio of expertise and clients, along with our broad geographical presence**. This ambitious strategy calls for a strong culture of performance and excellence in all areas of business, operations, finance, internal control, compliance, and human resources. This objective aims to take advantage of the numerous growth opportunities offered by the market in all our geographical areas to strengthen our position as a leading player in Facility Management.

What is your assessment of the year 2019?

2019 was a pivotal year. **First of all, our Group succeeded in making a clear and visible turnaround of its operating margins**, which had been shrinking quarter after quarter since the beginning of 2018.

This enabled us to meet all the objectives we announced when I assumed the position at the end of the first quarter of 2019. These objectives included organic growth of over 5%, stable EBITDA margins in France and the UK - our two main markets -, increased international activities, lower head office operating costs, drastic cash management, and tight control of capital expenditures.

In 2019, Atalian thus returned to profitable growth. It should be emphasised that this extremely positive achievement is to the credit of the new management team. With **revenue** of more than €3B, **a presence in 35 countries, and 137,000 employees**, Atalian also confirmed in 2019 that it is now solidly established among the top five global players in Facility Management.

Is Atalian well positioned to generate sustainable profitable growth?

Atalian has strong competitive advantages thanks to its global presence, broad range of services covering the needs of companies with cutting-edge industry expertise, along with innovative solutions, recognised operational excellence, a portfolio of international customers, and motivated employees. We are therefore particularly well positioned to capitalise on the growth opportunities offered by a large, buoyant, and highly fragmented FM market.

What then are the broad outlines of Atalian's strategy for the next three years?

The 2020-2022 strategy that we elaborated and began deploying is based on three key pillars.

The first is to generate robust, profitable growth of 4% to 6% a year.

To achieve this, we will begin by accelerating the transformation of our sales **organisation, focusing on multi-service,** to achieve our new sales targets. This entails moving from specialised sales forces to multi-service sales teams. We will improve our commercial performance through more relevant customer and sectoral targeting, by selecting contracts offering the highest margins and the best payment terms, and by streamlining our responses to calls for tender. We will also develop integrated FM contracts that are generally longer-term, more profitable contracts.

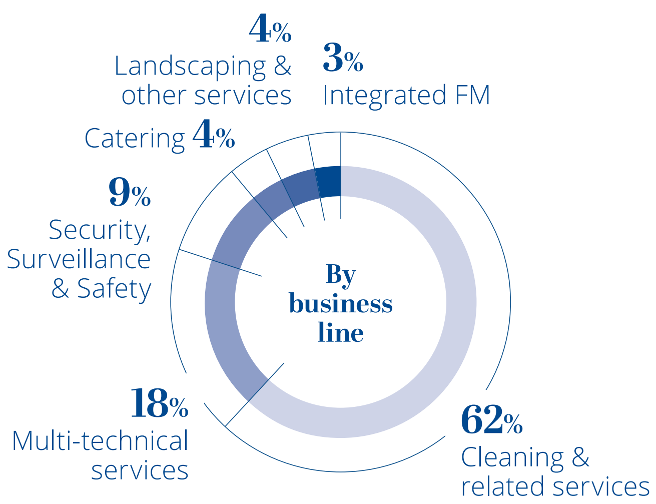
Likewise, we will **enhance our key account strategy**. Our goal is to serve these customers at all their operating sites, to provide them with our other service offerings and, ultimately, to establish integrated FM contracts.

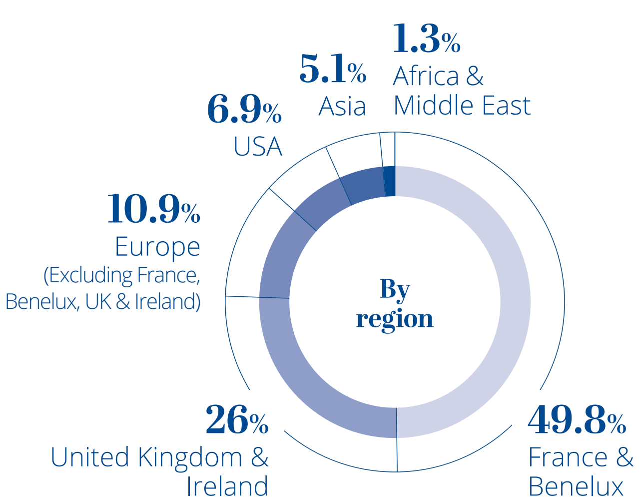
In addition, we will **improve our revenue mix** by developing **up-selling**, **cross-selling**, and the percentage of **technical services**. These initiatives will increase per-customer revenue and generate higher margins.

“ In 2019, Atalian returned to profitable growth.

The second pillar of our strategy is to achieve improved operational performance through local and regional initiatives. The objective is to regain Atalian's historical EBITDA margin levels of 8 to 8.5%. This is the mission of the managers we appointed throughout our six regions in France & Benelux, the United Kingdom & Ireland, the United States, Central and Eastern Europe, Asia, Africa, and Middle East. They will work together as a team, share best practices, and challenge their regional teams towards optimising contract profitability and inflows.

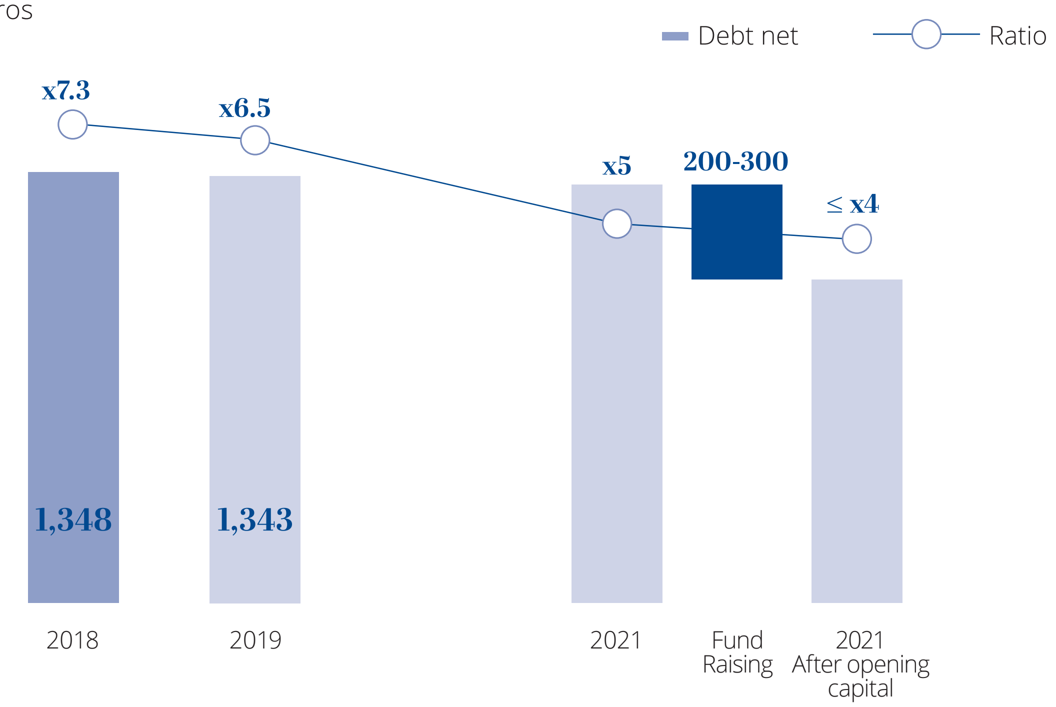
BREAKDOWN OF 2019





DEBT REDUCTION TARGETS

In millions of euros



To achieve this ambitious goal, we will employ four key drivers:

— Customer relations and the quality of our services to build customer loyalty and facilitate contract wins;

— Local or regional action plans for controlling costs, investments, and managing working time;

— The streamlining of our supplier portfolio and the negotiation or renegotiation of blanket contracts;

— Controlling the actions and performance of management.

The third pillar of our strategy involves reducing debt. Currently, our net debt to EBITDA ratio stands at 6.5. Our objective is to drastically reduce our debt by 2022 to achieve a ratio of 4. Of course, we will naturally benefit from the improvement in our operating efficiency. However, to achieve this goal, we will need to activate other drivers as well.

We have taken steps to optimise our working capital management through efficient cash collection procedures, a sales team incentive policy to reduce days sales outstanding (DSO), the implementation of a significant factoring programme and the streamlining of our supplier portfolio. We also have a **CAPEX optimisation target**. This should represent less than 2% of our revenue, notably through the reuse of equipment.

Over the 2019-2022 period, we are also implementing **a divestment plan** of more than €100M involving non-strategic assets. The first component of this plan was completed in 2019 with the sale of the Landscaping business for €34M.

Will these measures be enough to meet the debt reduction target?

In addition to the operational and divestment measures implemented, our debt reduction strategy includes the raising the Atalian Group's capital. We plan on increasing shareholder equity through a capital contribution of between €200M and €300M within two years. This capital increase will enable us to achieve a Net Debt / EBITDA ratio of less than 4 in 2022. We are fully committed to this goal.

What message would you like to send to the Atalian Group stakeholders?

I would like to assure them that the transformation of the Atalian Group is progressing very quickly and has already borne fruit in less than a year. The course has now been set. We are going to pursue it rigorously with our stakeholders, in a spirit of openness and in the greatest transparency. The Coronavirus pandemic will certainly adversely affect our short term objectives, but we are confident, that at the end of the day, we will nonetheless reach our ambitious targets. I am absolutely convinced that, with all its attributes, Atalian is well prepared to become an exemplary Group in the coming years and a solid value for all its stakeholders.

New governance: Atalian strives towards sound management, excellence, openness, and transparency.

Administration of the Group

The Administrators of Atalian Holding Development and Strategy, the Group majority shareholder, see to the effective governance of the Group, as well as the interests of the business, the shareholders, and other stakeholders, while following principles of ethics and transparency. They ensure the effective operation of the executive bodies, and supervise the implementation of Group strategy, the main aim of which is to increase value.

Our administrators

The Administrators of Atalian Holding Development and Strategy were chosen for their skills and experience in the fields of Strategy, Organisational transformation, International development, Financial markets, Internal control, CSR, and Law. During the FY2019, three new Administrators were appointed: Hélène Ploix, Laurent Levaux, and Georges Fenech. The Administrators meet at least four times a year, chaired by Franck Julien.

During the financial year ended 31 December 2019, the Administrators approved:

— the closing of the quarterly and annual financial statements;

— the examination of the budget;

— the business review for the corporate departments and subsidiaries;

— the review and approval of the work of the Committees;

— the evaluation of Committee operations.

The Committees

Two specialised committees– **the Investment & Strategy Committee** and **the Audit & Compliance Committee** – were established in 2019. They meet prior to meetings of the Board of Directors and assist the Administrators and the Group by issuing recommendations and advisory opinions.

The Investment & Strategy Committee

The Investment & Strategy Committee helps the Administrators to chart a course with regard to strategy and investments. They examine investment programs and their financing, as well as proposed divestments having a significant impact on the scope of the Group, before these plans are presented to the Administrators.

Members of the Investment & Strategy Committee

• Henri Proglio – Independent Administrator – Chair of the Committee

• Hélène Ploix – Independent Administrator

• Franck Julien – Administrator

The Audit & Compliance Committee

The Audit & Compliance Committee assists the Administrators with the examination and approval of the annual financial statements, and gives their 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 CFO on how the statements were established. The Committee also selects the statutory auditors, and discusses their review of the accounts with them. Finally, it ensures that the Group has an effective internal control system, and fully complies with all laws and regulations.

Members of the Audit & Compliance Committee

• Hélène Ploix – Independent Administrator – Chair of the Committee

• Henri Proglio – Independent Administrator

• Quentin Vercauteren Drubbel – Independent Administrator

Our Administrators

Franck Julien

Group Chairman & CEO

Administrator

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.

Hélène Ploix

Independent Administrator

Chair of the Audit & Compliance Committee

Member of the Investment & Strategy Committee

Hélène Ploix was CEO of CEP, then President of Banque Industrielle et Mobilière Privée. She was an advisor to the French Secretary of State for Consumer Affairs (1977-1978), appointed to the French Securities and Exchange Commission in 1983, member of the French Prime Minister's cabinet from 1984 to 1986, administrator of the IMF and the World Bank from 1986 to 1989. She was then Deputy Director of the Caisse des Dépôts et Consignations from 1989 to 1995. Hélène Ploix is also the founder of the Pechel Industries Partenaires investment fund.

"Franck Julien has one again taken on a very operational role in the Group. His comprehensive knowledge of the business is a real asset for our return to growth and profitability. He is backed by an extremely competent team to strengthen the governance of the Group.

Sophie Pécriaux Julien

Administrator

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).

Henri Proglio

Independent Administrator

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 Administrator of Dassault Aviation since 2008, Natixis since 2009, Fomento de Consturcciones y Contratas since 2015, ABR Management CJSC since 2013, and Akkuyu since 2015. Henri Proglio is Honorary President of EDF.

"Atalian is a business with a unique and significant position in the trade. Franck Julien has had an impressive career path, and I am quite optimistic about the coming three or four years. The company's governance is virtually that of a company listed on the CAC 40. Quality is a requirement that must always be met, despite its constraints.

Jean-Pierre Julien

Administrator

Jean-Pierre Julien was from 1962 to 2000 President-Managing Director of the TFN family business, created by his father, specialised in Industrial cleaning. He turned the business into a leader on the French market. In 2000, he was succeeded by his son, Franck Julien.

Quentin Vercauteren Drubbel

Independent Administrator

Member of the Audit & Compliance Committee

After three years with Deloitte, Quentin Vercauteren Drubbel joined KBL European Private Bankers in 2009. For five years, he directed their Asset management department in Luxembourg. He is a member of the Luxembourg ExCom and the Operational Risk Committee. He was a member of the Investment Committee of Saphir Capital. He is also VP of the Supervisory Board and member of the Audit Committee at Synergie SE.

"I agreed to be an Atalian Administrator, firstly for Franck Julien, because, for me, he incarnates the leader who knows where he is headed. He has a true sense of leadership. He is a charismatic executive who knows the business like no one else.

Laurent Levaux

Independent Administrator

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 Proximus, FN Herstal, Hamon, Interparking, Circuit de Francorchamps, and the Ardent Group.

"I contribute my experience with service companies, B2B, multinational Groups like Atalian, and listed companies. I also bring my experience with development costs for strategic or operational transformations.

Georges Fenech

Independent Administrator

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 university lecturer.

"I enthusiastically agreed to join the AHDS Board out of admiration and friendship for Franck Julien, a young entrepreneur who was able to transform a family business into an international leader in Facility Management. I bring experience acquired as a member of Parliament and a former judge on questions of safety and security.

THE ADMINISTRATORS' AREAS OF EXPERTISE

	Experience with service businesses	International experience	Strategy & transformation	Banking & Finance	Management & Audit	CSR	Law & regulations
Franck Julien	X	X	X			X	
Jean-Pierre Julien	X		X			X	
Sophie Pécriaux Julien	X	X	X			X	
Henri Proglio	X	X	X	X		X	
Hélène Ploix		X		X	X	X	X
Quentin Vercauteren	X	X		X	X		
Laurent Levaux	X	X	X				
Georges Fenech						X	X

Our Management Board and Executive Committee

The Group is governed by a Management Board and an Executive Committee.

The Management Board

The Management Board is the governing body of the Atalian Group. The Management Board is composed of Franck Julien, Group Chairman and CEO, Jean-Jacques Gauthier Deputy CEO & Group CFO and Rob Legge, Deputy CEO & Group COO. The Management Board makes the necessary decisions to run the business. It consults the Board of Directors for the strategic operations and when its approval is required. The Management Board leads and manages the work of the Executive Committee (ExCom). It sets objectives for the ExCom members during regular business reviews.

Franck Julien

Group Chairman & CEO

Franck Julien joined a family business, then called TFN, in 1992. He became CEO in 1995, then 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 five Facility Management firms in the world.

Jean-Jacques Gauthier

Deputy CEO & Group CFO

Jean-Jacques Gauthier was appointed Deputy CEO & Group CFO in April 2019 after 33 years at two industrial world leaders. At EADS, he was CFO of Matra Marconi Space, then Deputy CFO of Astrium. At LafargeHolcim, he was successively: Group CFO (2001-2015); ExCom member and Director of Integration, Organisation & Human Resources (2015); then CEO Algeria (2016).

Rob Legge

Deputy CEO & Group COO

Rob Legge was appointed Deputy CEO & Group COO in May 2019. He has worked in Facility Management for over 20 years. He joined Servest Group Ltd in 1998 as CEO and then became Chairman. He played a key role in transforming this enterprise into an international Group with 55,000 employees, operating in the UK, Europe, and Africa.

The Executive Committee

The Executive Committee consists of nine members: the three members of the Management Board, the four regional CEOs in charge of each of the Group's five regional zones, the Group Controller, and the Group Corporate Secretary. Under the responsibility of the Chairman, the ExCom participates actively in formulating the Group strategy and plays an essential role in the coordination between headquarters and the subsidiaries and in between subsidiaries. It oversees the operations, approves the Group's main policies and ensures that these policies are executed. More specifically, it sets financial and operational objectives, conducts regular brand and market reviews, assesses performance and proposes any necessary adjustments to the internal organisation.

Sébastien Lastapis

CEO France & Benelux

Sébastien Lastapis joined the Group when he was 19 years old. He has successively held the following positions: Technical Director France (2003-2004), Regional Operations Director (2005-2011), Director of the Cleaning division (2011-2017), and CEO France (2017-2019), then CEO France & Benelux (May 2019).

Daniel Dickson

CEO United Kingdom & Ireland

Daniel Dickson has over 15 years of experience in Strategy and Finance. He joined the Servest Group Ltd in 2012 and has successively held the following positions: Chief Financial Officer for UK operations (2013-2016), Managing Director of the Multitechnics Division (2016-2017), and Managing Director of Global Development (2017-2018). He was appointed CEO UK & Ireland in October 2018.

Tarek Sehnaoui

CEO Central & Eastern Europe, Africa, & Middle East

Tarek Sehnaoui has over 20 years of experience in Operations and Business Development in EMEA and North America, with LafargeHolcim, where he successively held the following positions: MEA Development Director (2006-2009); Aggregates and Concrete Director, Iraq (2009-2012); Cement Business Operations Director, Iraq (2013-2017); Sales, Marketing & Supply Chain Director, Algeria (2018-2019). He joined the Atalian Group as CEO Central & Eastern Europe, Africa, & Middle East in September 2019.

Peter Sheldon

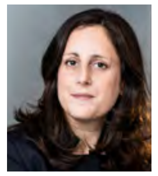
CEO USA

Peter Sheldon has over 30 years of experience in Facility Management, in areas such as Operations and M&A. He was VP Operations & Development of Coverall North America (2005-2012); then CEO of Capital Contractor (2012-2017). He joined the Atalian Group as CEO USA in October 2018.

Bruno Bayet

Group Controller

Bruno Bayet has 22 years of experience in Finance, Management control, M&A, and investments. He has successively been: Corporate Finance manager at PwC (2000-2005); Investment Analyst and Treasurer of the Groupe Bruxelles Lambert (2005-2011); CFO, General Malta Forrest (2011-2013); and Group CFO Lafarge Africa (2014-2019). He joined Atalian as Group Controller in July 2019.



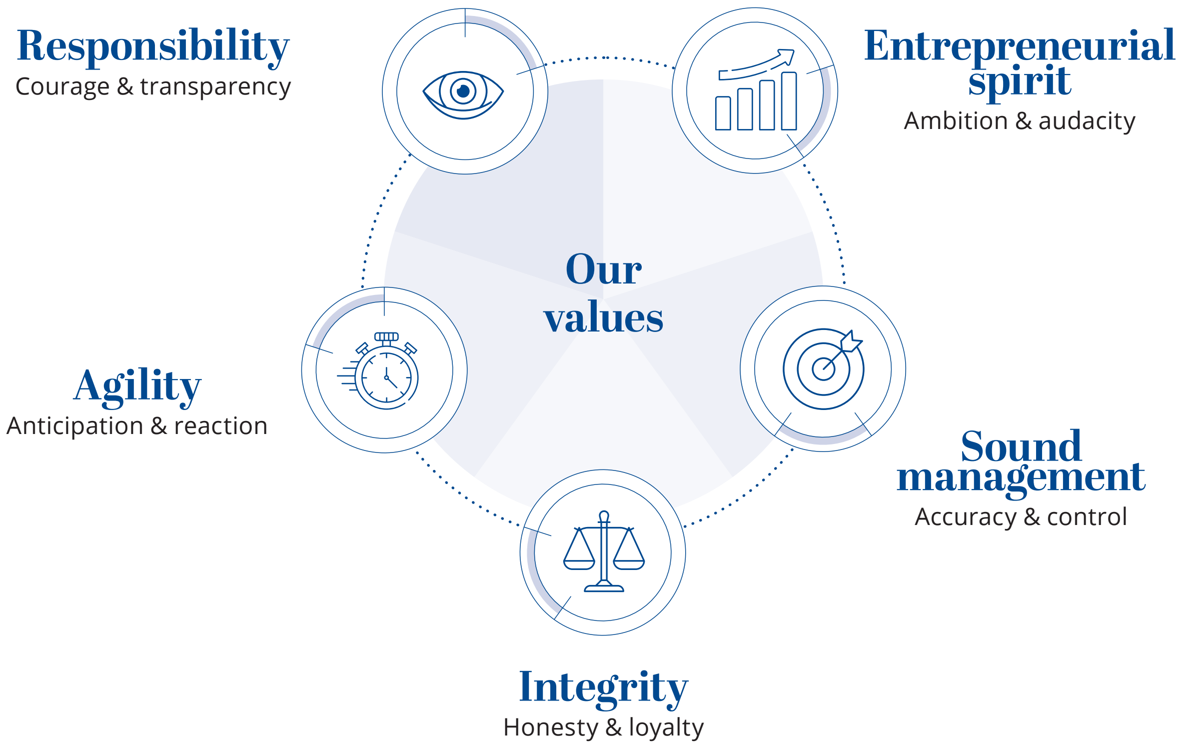
Ruthy Zaghdoun

Group Corporate Secretary

Ruthy Zaghdoun has nearly 20 years of national and international experience in Taxation. After 13 years with the French Public Finance authority in the National & International Verification Department, then in the French Finance Ministry, 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, and Compliance departments.

The Atalian model

Strong values underly our commitments



Atalian forged its identity and built its success on **the basis of enduring values**, shared by 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.

To highlight these values in all of our entities, and share them with all of our staff, the Atalian Group has formalised principles, behavioural rules, and procedures in our Corporate Social Responsibility Charter, our Code of Ethics, and our Code of Business Behaviour. The Group is firmly committed to enforcing this both internally and in relations with outside stakeholders: customers, suppliers, subcontractors, and partners, as well as local communities impacted by our business.

The Atalian Group fully assumes its **social responsibility**, considering it a genuine vector of performance and excellence, as it continually incites us to outdo ourselves, innovate, reinvent our business, and see further.

1,900
Due diligence

72%
Response rate to statements of gifts & invitations and conflicts of interest (FY2018)

68%
Completion rate of our anti-corruption e-learning program

17
Compliance officers worldwide

Three questions on compliance

to Ruthy Zaghdoun
Group Corporate Secretary
Global Head of Tax, Legal, Compliance, and Internal Audit

> **“Integrity and responsibility are the core of our professional practices and our business relations.**

What are the compliance issues for a services group operating in 35 countries?

For a Group like Atalian, operating in 35 countries on four continents, with over 32,000 customers, compliance is indeed a major challenge. Non-compliance can have serious reputational, legal, or financial consequences for the company and its employees, particularly in the case of an international company subject to a wide variety of local regulations. Our aim is to ensure full compliance of the professional practices and business relations of all our subsidiaries throughout the world to enable our Group to pursue its development with confidence.

What are your concrete compliance objectives?

The objective is to prevent situations that could endanger the Group's integrity, while enabling employees to identify risk situations (e.g. attempted corruption or money laundering, conflicts of interest, fraud, unethical behaviour, and unfair competition), both internally and with third parties (e.g. customers, suppliers, and partners), and teach appropriate behaviour in such situations. A compliance program imposed by most of the regulations has been developed within the Group to meet this objective. This is not an easy task, since the rapid development of the Group through acquistions on four continents means that our different subsidiaries do not have the same level of maturity or cultural practices.

What are the resources to comply with regulations?

The Group has formalised its Compliance doctrine in the documentation developed by the Compliance Department. The doctrine is applicable to all the subsidiaries. It covers compliance with a range of regulatory requirements. The Compliance Department is responsible for implementing this doctrine. We have set up a global network of Compliance officers, who relay our actions. All of the documentation has been translated. Where applicable, documents also cover local laws and regulations. The procedures needed to implement Group doctrine have all been written and distributed: Anti-corruption and anti-money-laundering code of conduct; Business code of conduct; Gifts & invitations procedure; Conflict of interest procedure; and Whistleblowing procedure, etc.
We are also developing further on-site and e-learning training programs. Nearly 5,000 employees are concerned. We also carry out due diligence on our third parties.
Furthermore, we have an internal Audit department that is involved in all of the Group's operational and strategic processes (e.g. Management, Accounting, Tax, Human Resources, Purchasing, Production, and Sales). They play a key verification and advisory role to boost performance and improve processes.

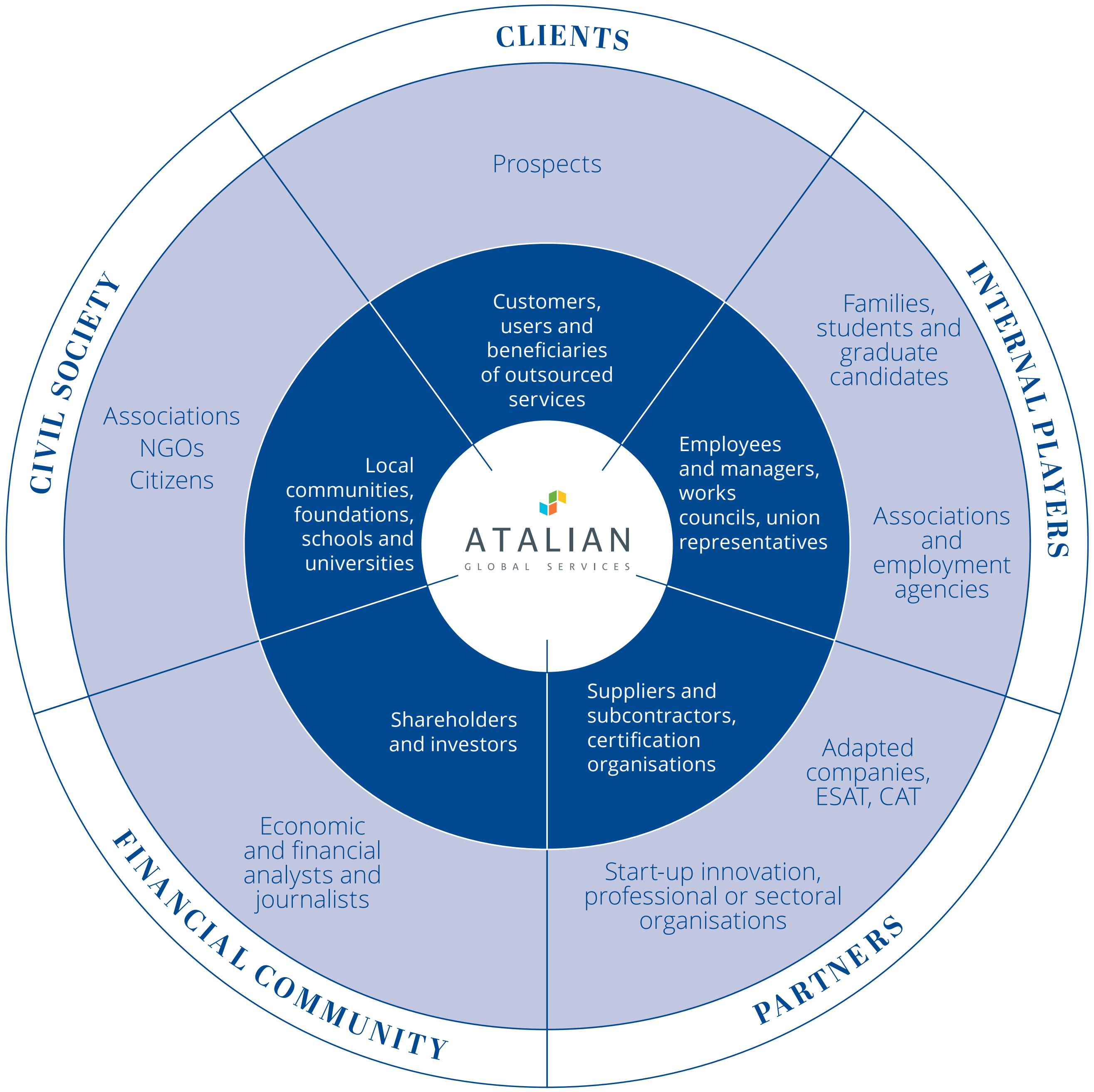
Margaux Halpern
Group Compliance Officer

In all the countries where the Group operates, we have implemented a training program with an e-learning module, covering Sapin 2 regulations (France), UKBA (UK), and FCPA (US). This online learning includes a quiz, and leads to an internal diploma. Newcomers systematically attend this e-learning class, and are informed of internal procedures linked to our Compliance program.

They also attend face-to-face training on corruption, fraud, conflicts of interest, and money laundering. We have already visited many subsidiaries including the US, the UK, Malaysia, and the Czech Republic.

Ecosystem and trends

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, into its transformation and value creation strategy.



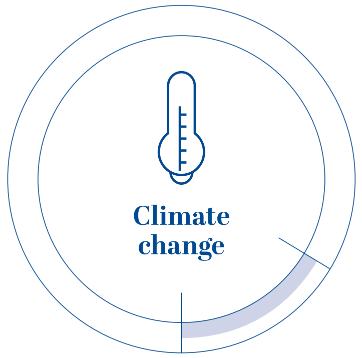
☐ STAKEHOLDER category
■ One-time interactions
■ Strong and reciprocal influence

Current trends that are impacting Atalian's business model and activities

In a complex and rapidly changing world, Atalian, a global service provider, is impacted by macro-trends that open up significant opportunities for growth but also impose economic, social, and societal challenges.

— **Population growth and rampant urbanisation** that require urgent solutions in terms of infrastructure, transport, and services.

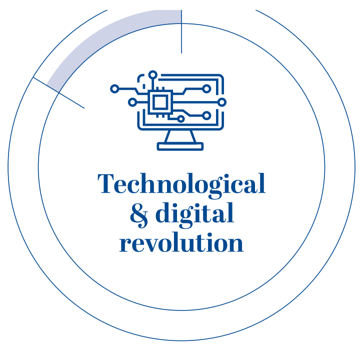
— **The globalisation of the economy** and the emergence of new national or regional markets with with high growth rates, creating new opportunities or generating local labour shortages.



— **Climate change** and the depletion of natural resources requiring the establishment of energy efficient solutions and sustainable alternatives in building, transport, etc.

— **The increasing demands of customers**, users, and patients who expect more personalised services, improved quality of life (health, safety, and comfort, etc.), and responsible behaviour by economic players.

— **The legal and regulatory obligations** that weigh on economic players and raise their requirements in relation to their own suppliers and subcontractors.



— **The technological and digital revolution** that is profoundly transforming the business models of companies, consumer/user behaviour, and usages.

Our model of creation and sharing of value

Atalian intends to generate sustainable and responsible growth to benefit all its stakeholders. Our organisation and strategy are developed for this purpose. The following table summarises how we create and share value with our customers, employees, partners, and local communities.

We mobilise our economic resources

Economic

— A stable shareholding structure

— A global network of local offices

— Efficient suppliers and subcontractors

— Involved financial partners

Organisational

— New governance with highly experienced people

— A frame of reference deployed worldwide

— Certified management systems

— Global information and management tools

Technologies

— An ecosystem of collaborative skills

— An Innovation Management

Human resources

— 137,000 employees in 35 countries

— Cultural and social diversity

— Talent from very diverse backgrounds

— Motivated and involved entrepreneurs

We create value

1 We deploy quality, integrated, and global services

2 We adapt our services to local specificities

3 We develop advanced sectoral expertises

4 We focus our approach on customer needs

5 We utilise new technologies in our solutions

6 We focus on sustainable employee training and hiring

7 We seek diversity

8 We deploy simple and agile organisational methods

9 We manage our organisations with certified processes

10 We establish responsible rules of conduct with our stakeholders

We share this value with our stakeholders

We improve customer performance

— Improving the quality of outsourced services

— Improving 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.)

We improve the quality of life for our employees

— Decent wages in all the countries we work in

— 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

We generate positive impacts for society

— Social inclusion and diversity at work

— Focusing on responsible purchasing

— Reducing our environmental impact

— Social and environmental actions for local communities

— Sponsoring education and health initiatives

We build sustainable relationships with our partners

— Ethical behaviour with our partners (transparency, loyalty)

— Preventing corruption

A Facility Management key player

Interview with Rob Legge

Deputy CEO & Group COO

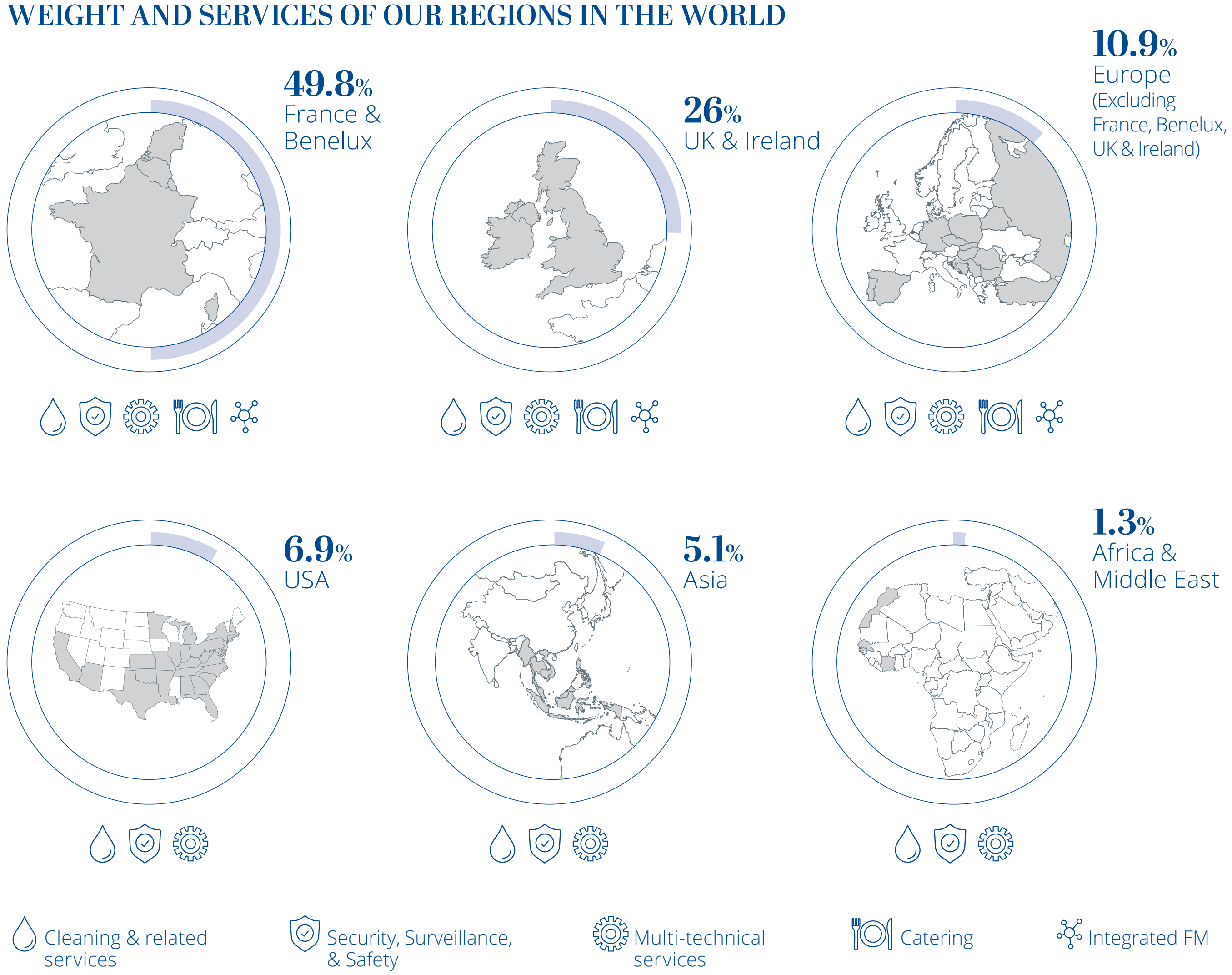
"Everywhere we operate, the market is showing favourable prospects.

What opportunities is the global FM market offering Atalian?

The FM market is **tremendously large**, representing more than €2,200B in annual sales. It is also a **fast-growing market, with +2.1% in annual growth** forecast between 2018 and 2025, and where the share of outsourced services is steadily increasing: 32% today, and 34% expected by 2025.

In mature markets such as in France, the United Kingdom, and the United States, the rate of outsourcing is expected to increase due to the mounting economic pressure on SMEs leading them to optimise their costs. In developing markets such as in Asia, Central and Eastern Europe, Africa, and the Middle East, it is the growing size and maturity of the local companies that favours the outsourcing of Facility Management. Asia, in particular, offers a huge potential with a comparatively low rate of outsourcing. Thus, wherever we operate, the market is offering very favourable prospects.

WEIGHT AND SERVICES OF OUR REGIONS IN THE WORLD



Moreover, the global FM market is highly fragmented. It has over 2,000 operators, not to mention all the small, often single-industry local companies, while the five leading firms account for less than 10% of the market. This fragmentation creates an opportunity for large players to increase their market share by proposing integrated solutions that meet new customer expectations.

In such a context, with its solid global platform, the Atalian Group is particularly well positioned to benefit from the growing FM market wherever it operates.

What does Atalian currently represent on the global FM market?

From 2009 to 2018, Atalian experienced very rapid international development, thanks to its numerous acquisitions on four continents, one of the latest - and most prominent - being that of Servest. The Group today is highly concentrated in six key regions with varying market sizes, maturity, potential, and needs.

Atalian has thus become a major Facility Management player. Present in 35 countries, the Group has revenue of more than €3B and ranks among the world's top five in the sector.

In 2019, Atalian maintained its expansion with sales up by more than 5% on a like-for-like basis. The Group now has approximately 137,000 employees and services over 32,000 customers worldwide.

Throughout the years, Atalian has been able to develop and retain an extremely diversified and resilient customer portfolio. It offers services that cover all the needs of the FM market in terms of cleaning, security, multi-technical, catering, and integrated FM. The company caters to all sectors of industry, services, transport, and distribution.

Our portfolio is solid because we have genuine expertise in a wide range of sectors and have forged long-lasting relationships with our main clients. Most of our top 200 clients are multiservice. We are not heavily dependent on any single one of them. For all these reasons, Atalian is a first-rate FM platform.

THE GLOBAL OUTSOURCED FM MARKET - GROWTH PROSPECTS

Region	Market size in 2018 in €B	Forecasted average annual growth (2018-2025)	Outsourcing rate 2018	Outsourcing rate 2025
USA	192	+1.1%	42.0%	43.0%
UK & Ireland	33	+1.8%	44.8%	49.1%
France	23	+2.0%	31.0%	33.1%
Asia	212	+3.1%	24.9%	27.1%
Europe	170	+1.0%	42.6%	43.4%
Rest of the world	66	+3.2%	20.8%	22.4%

Sources : Frost & Sullivan (conversion USD-EUR, December 2019: 1 USD = 0.89 EUR)

What is the Group's current development strategy?

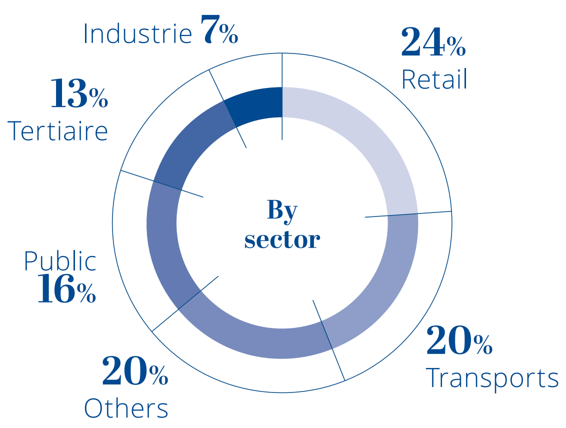
We are presently focusing on targeted organic growth. Right now, we are not concentrating on acquisitions. Our international strategy entails serving our customers wherever they are and supporting them wherever they seek to expand. We leverage our broad global footprint by singling out areas with high growth potential, where international FM players are either absent or poorly established. We want to be sure we meet our profitability target in each of the geographic areas where we are present.

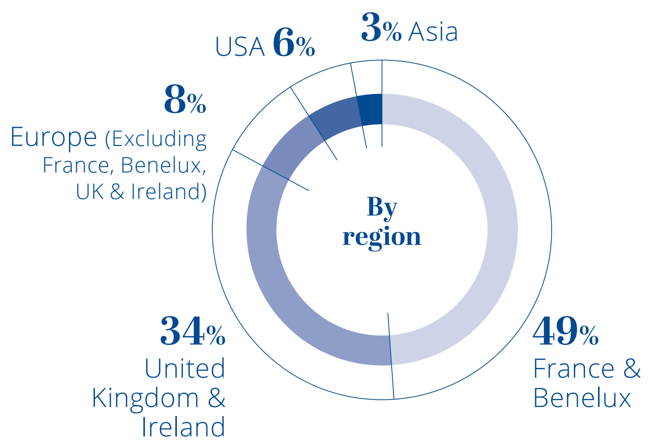
Our customers are at the heart of our strategy and priorities. Our first concern is to constantly improve customer satisfaction to ensure their loyalty. In 2019, the Group's loyalty rate attained an historically high level of over 90%. In France and the United Kingdom, it reached 93% and 92% respectively. Our goal is to further improve our retention rate by 1% to 2% over the next three years. This will provide us better visibility in terms of cash flow and reduce the impact of changes in our customer base. As a result, wherever we operate, we ensure that a comprehensive customer commitment and retention program is in place to facilitate the renewal of contracts or the extension of their duration.

In 2019, we also deployed a new customer relationship management (CRM) strategy targeted at our key accounts. The aim is to promote sales and increase the margin and the stability of contracts. From this perspective, data is the lifeblood of the business. This requires that our Sales Force CRM platform be deployed in all our regions and that the characteristics of our contracts be brought up to date. We analysed our top 200 clients around the world, in each region, to understand what our contracts entailed. We now have a clear picture of the scope of the contracts in place, the service lines available locally and, most importantly, the ones that are missing.

Based on this data, we can take action and build a genuine cross-selling and up-selling strategy. Data analysis is essential for us to be able to move forward. Previously, everyone was working in their own little corner, now we can share information and work closely together.

BREAKDOWN OF THE TOP 200 CUSTOMERS



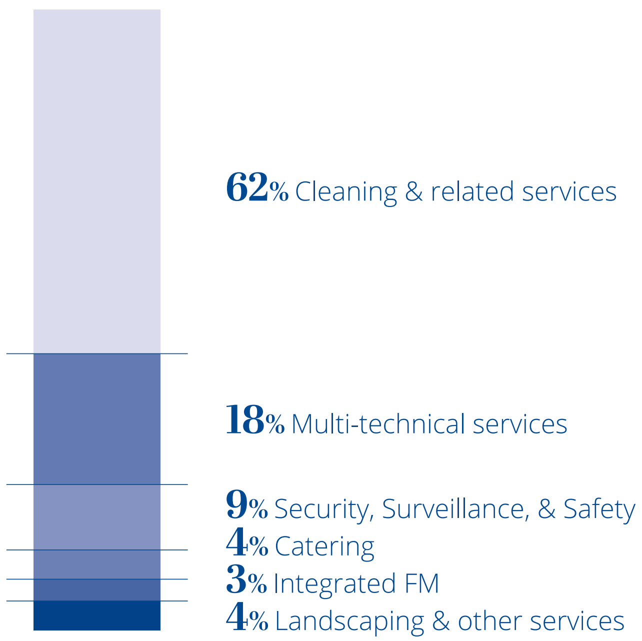


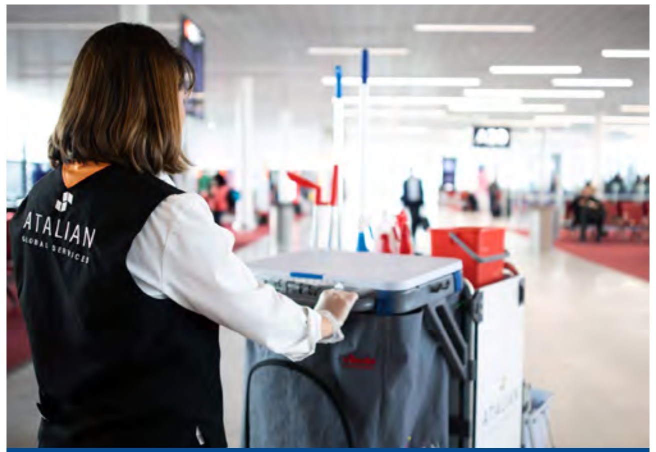
Source: Atalian, Power BI

How do you optimise contract performance?

Managing contract performance is our daily task. When starting a new contract, our margins are affected by the cost of implementing the service. There is a learning period before productivity can be increased. We have to thoroughly analyse the customer's requirements before we can optimise the service… and hence our operating margin. Therefore, the objective is to quickly leverage our knowledge of customer expectations, optimise the use of consumables and equipment, effectively monitor time and attendance programs, and then develop cross-selling and up-selling. All these measures have a positive impact on the margin right up to the renewal of the contract.

BREAKDOWN OF ACTIVITY BY BUSINESS LINE





> "We are currently focusing on targeted organic growth.

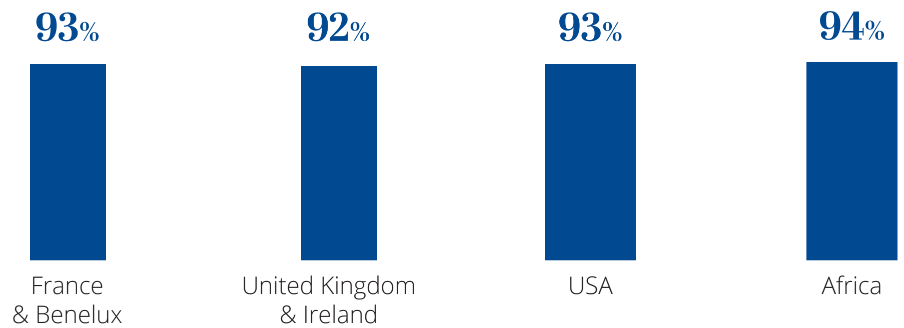
How do you reconcile the global model to the local specificities?

An international Group is managed according to the operating rules and standards that apply to all its entities. There is thus a **global operating approach**, specific to Atalian that all our subsidiaries must respect. They must integrate the standards and procedures, as well as share good practices and information.

Nevertheless, we cannot work in exactly the same way in all our countries. Indeed, each country has its own economic and social realities, its own culture, and its specific codes. As local circumstances are highly diverse and sometimes complex, we need local managers who fully understand the local business. This is why, wherever the Group establishes itself, we have kept the management teams in place.

In the end, it's a win-win situation for all concerned. Local entities can lean on the Group and benefit from the resulting synergies. The Group, for its part, can capitalise on the local knowledge and field expertise of its subsidiaries.

CUSTOMER LOYALTY - 2019 ACHIEVEMENT



Atalian in France and Benelux

"2019 saw sustained organic growth, the establishment of a fully customer-driven organisation, and the development of high-added-value services.

Sébastien Lastapis
CEO France & Benelux

Atalian Group's largest market

Almost 50% of the Group's turnover comes from the France-Benelux region, in which Atalian is one of the leading FM market players, providing a full range of services — cleaning, security, technical & maintenance, catering, and integrated Facility Management — with an especially dense web of service centres. Atalian has a very broad client portfolio (different sectors, sizes, contract types) in this region, making a significant contribution to the Group's profits.

The market is dominated by several national majors, leaders in soft services as well as hard, however, the base is still very fragmented, with many small and medium businesses, often at a single site or with a single speciality. The market offers high development potential for integrated FM, with year-on-year growth prospects for the coming years of 2% or thereabouts.

A year of achievement and sustained growth

2019 was a very positive year in France-Benelux, with organic growth of over 3.8% in turnover and rising margins on EBITDA of 9.4% versus 9.0% in 2018. These good results are explained by:

— a new market approach oriented on high potential sectors

— a more proactive approach to contract renewals

— the gain of strategic clients

— team focus on margin improvement and cash management.

In 2019, we made the decision to refocus on our core business areas of cleaning, safety, technical & maintenance, IFM, and create a business unit - Atalian Facilities - to coordinate our different services through a single pilot. As part of this strategy, we also released Pinson Paysages, our subsidiary specialised in landscaping.

A new momentum

To address clients' new needs, we have implemented a Performance Department grouping together the QHSE, Innovation, and Change departments. Its mission is to be the driving force for a client-oriented overall approach. The first objective is to improve the client/occupant experience by transitioning from departmental silos of cleaning, safety, technical and maintenance, etc., to a per-sector or per-business organisation focused on a client's specific needs including shopping centres, stations and airports, healthcare, nuclear energy, agri-food, retail outlets, super- and hypermarkets). The second objective is to simplify our processes and introduce digital solutions to optimise our costs.

KEY FIGURES

1,522.8 M in turnover

49.8% of Atalian global turnover

4.5% growth compared to 2018

9.4% margin on EBITDA

93% customer loyalty rate

56,700 employees (35,000 FTE)

+ de 100 subsidiaries

TOP 10 CLIENTS

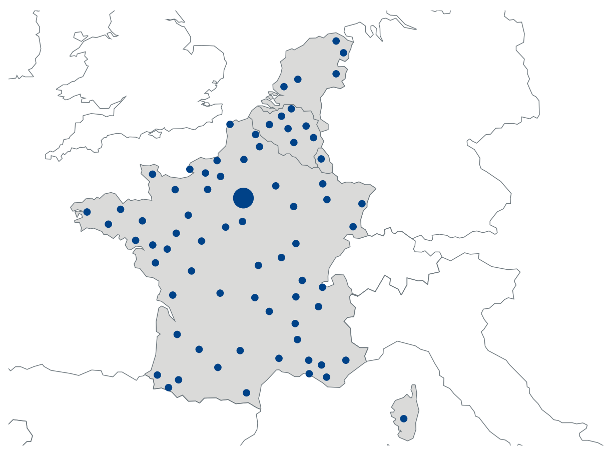
25% of total turnover

€37 M average yearly total contracts

BREAKDOWN OF TURNOVER AND EMPLOYEES - FRANCE

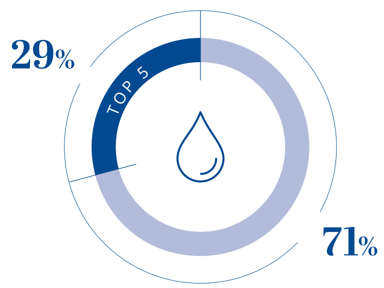
	2019 turnover	% of total turnover	Full-time employees
Cleaning & related services	€937 M	69%	25,000
Multi-technical services	€191 M	14%	4,000
Security	€165 M	12%	1,200
Landscaping	€66 M	5%	700
In which Integrated FM	€90 M	7%	1,600

A DENSE NETWORK OF OPERATIONS



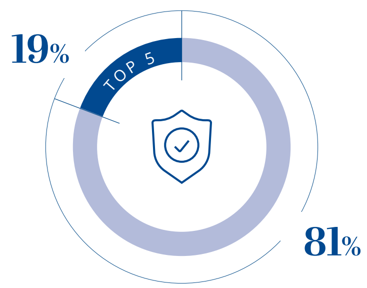
TOP 5 PLAYERS' CONCENTRATION

CLEANING & RELATED SERVICES



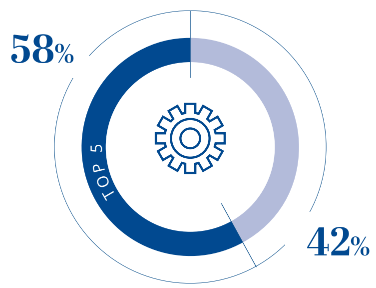
Atalian ranks 1*

SECURITY



Atalian ranks 5*

MULTI-TECHNICAL SERVICES



Atalian ranks 7*

Market share held by top 5 players
Market share held by other players

*Atalian's rank in France-Benelux

Atalian in the United Kingdom and Ireland

> "2019 was a year of high growth and profitability in the UK, despite uncertainty about Brexit and a year of integration for recently acquired companies.
>
> **Daniel Dickson**
> CEO United Kingdom & Ireland

Atalian, a major FM performer in the United Kingdom & Ireland

The Atalian Group is one of the leading Facility Management companies in the United Kingdom. The UK accounts for 26% of its worldwide turnover, with a very broad range of services including cleaning, security, technical & maintenance, catering, and integrated FM.

The United Kingdom is the biggest FM market in Europe and one of the most consolidated. The top five operators represent 32% of the market share. It is also the world's most mature market with 45% outsourcing. The UK market offers yearly growth prospects of around 1.8% by 2025: 1.3% for soft FM (cleaning, security, etc.) and 2.6% for hard FM (technical & maintenance).

A highly successful 2019 business year

The 2019 business year was especially rewarding for Atalian in the United Kingdom, with 8% growth in turnover, 54% increase in EBITDA, a very high client retention rate (92%), and the signing of some excellent contracts. New contracts in 2019 amounted to £97M, with high-profile clients including Kingfisher, LNER, IWG, Morrisons, and HMRC. Atalian made no new acquisitions in 2019, concentrating instead on full integration of the Thermotech, and Unique Catering companies acquired in 2018.

The uncertainty caused by Brexit has led to our setting up a workgroup comprising operational staff and support functions, whose task is to analyse potential risks and prepare suitable mitigation plans.

Hard services are progressing much faster than soft services, therefore, in 2019, we reinforced the technical services division management and invested in the sales team. We also created a new Integrated Solutions division to develop contracts in the Integrated FM arena.

Another major development in the British market is the growing influence of property management firms in the FM industry. The Atalian Group does not offer property management services at present but leaves the door open to doing so in the future.

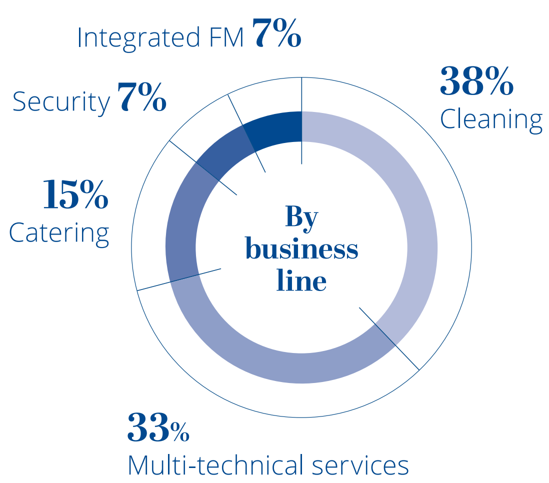
KEY FIGURES

- **€795.7 M** in turnover
- **26%** of Atalian global turnover
- **8%** growth compared to 2018 (corporate accounts)
- **6.4%** margin on EBITDA
- **92%** customer loyalty rate
- **28,000** employees
- **9** offices

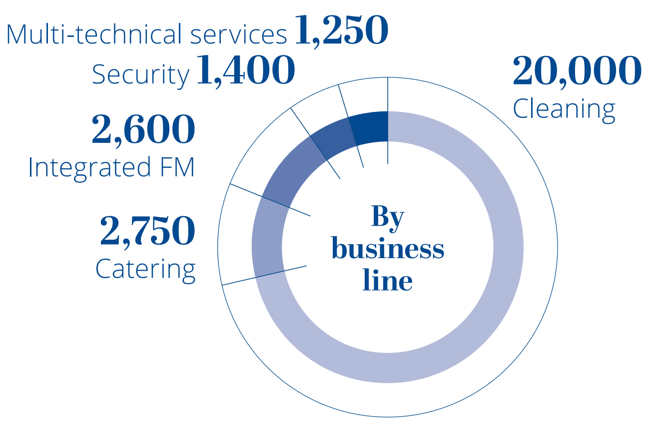
TOP 10 CLIENTS

- **26%** of total turnover
- **€20 M** average yearly total contracts

BREAKDOWN OF 2019 ACTIVITY



BREAKDOWN OF EMPLOYEES



Atalian in Central and Eastern Europe

> **2019 was a year of optimisation and transformation that will enable the Group to regain sustained and profitable growth in Central and Eastern Europe in 2020.**

Tarek Sehnaoui
CEO Central and Eastern Europe, Africa & Middle East

A market with very high potential for Atalian

Atalian began to expand into Central and Eastern Europe 20 years ago and has achieved its development there through acquisitions. The Group is now present in 15 countries, in a diverse region on the political, regulatory, and economic plan but with great potential for development. The countries of Central and Eastern Europe are in effect benefiting from sustained economic growth of 3 to 4% per year.

With its broad geographical footprint and leading positions in FM in several countries – Slovakia, the Czech Republic, and Croatia – Atalian has a solid base to take advantage of the growth of this region and support its international customers. Atalian also benefits from the fact that few major players in FM have a presence in Central and Eastern Europe and some of them are withdrawing due to its complexities.

2019 Focus on transformation and operational excellence

The Group's turnover fell slightly in 2019 in Central and Eastern Europe, due to the negative effect of exchange rates (almost €11 million). However, on a like-for-like basis, the Group recorded an **organic growth** in its activities of 2.4% with a positive balance of contract gains and losses. It has improved its profitability (16.7% improvement, for an EBITDA margin of 6.3%) through a sustained approach of operational excellence and by instilling a culture of cash management in all the countries.

2019 was **a year of optimisation and transformation**, with the following significant events:
— In Poland, preparation of the transfer of Restoration and Security activities and complete reorganisation of the back office and IT tools;
— In the Czech Republic, evolution of the organisation to develop Integrated Facility Management;
— In Turkey, customer portfolio diversification and operating efficiency improvement in a tense geopolitical context;
— In Croatia, adaptation of our organisation, following the loss of our major customer INA, and the transfer of the Interim business;
— In Russia and Serbia, strong growth of our business requiring extensive human resources and investment.
— In Slovakia, transfer of non-strategic Security business.

Ambitious goals for 2020-2022

The Group's objective in Central and Eastern Europe is to continue the transformation of its organisation, boost its sales, and increase the share of high-value-added services – Integrated Facility Management and Multi-Technical – in its turnover from 32% in 2019 to 44% in 2022. The Group intends to make Central and Eastern Europe a platform for strong, sustainable, and profitable growth. For the 2020-2022 period, the Group is counting on an average annual growth of 7% and, in 2022, an EBITDA margin of 7% with a cash conversion rate of 60% of EBITDA.

KEY FIGURES

€333.3 M in turnover

10.9% of Atalian global turnover

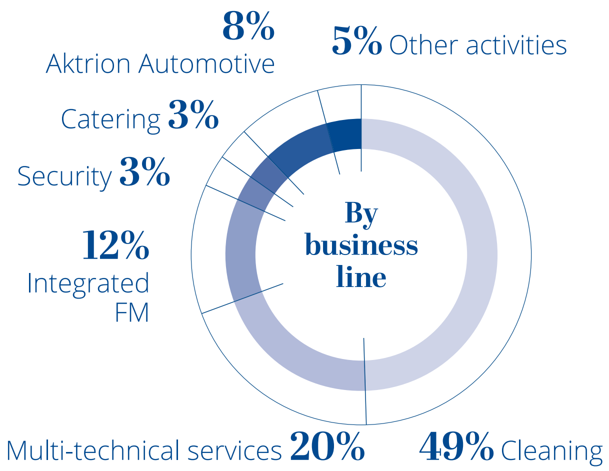
2.4% organic growth compared to 2018

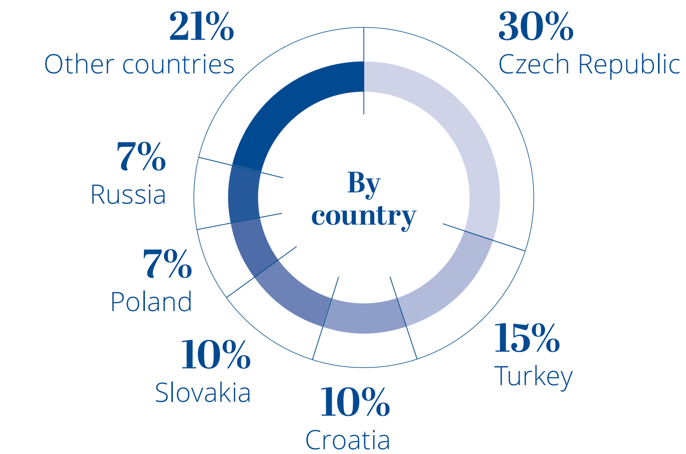
6.3% margin on EBITDA

13,300 employees

15 countries with Aktrion Automotive: Germany, Belarus, Bosnia, Bulgaria, Croatia, Spain, Hungary, Poland, Portugal, Czech Republic, Romania, Russia, Serbia, Slovakia, and Turkey.

BREAKDOWN OF 2019 ACTIVITY





Atalian in the USA

> In 2019 we built a solid and upscalable platform, capable of generating high growth and profitability.

Peter Sheldon
CEO USA

A vast market with highly promising prospects

Atalian began its stateside operation in 2016 and has gradually expanded through a series of acquisitions. Today the Group makes 6.9% of its turnover in the United States. The market is huge (€192B) and is in a consolidation phase. It nonetheless remains fragmented, with both very large stakeholders and a very high number of small jobbers accounting for 90% of the market. The US market is mature. Its outsourcing rate is 42% and there are moderate growth prospects to 2025 (+1.1%).

Atalian operates in 31 American states, mainly on the Eastern seaboard, the South, and the Midwest, with business very much revolving around cleaning and associated services.

A year devoted to integration and restructuring

2019 was a busy year devoted to the integration and restructuring of companies acquired since Atalian set up business in the United States. Atalian has restructured its legal organisation, governance, and operational management, has deployed a workforce and payroll management platform, and has implemented pooled services for the HR, financial, and IT functions. Atalian has relocated its HQ and rationalised its agency network.

The sweeping structural changes and management discipline instituted in 2019 mean Atalian now has a solid, evolutionary United States platform capable of generating and managing high levels of profitable growth.

An organisation in great shape

Despite the trials of an awkward year, the Group has already recorded some very encouraging results:

— Over $60M worth of new contracts

— A positive balance of $23M between gain and loss of contracts

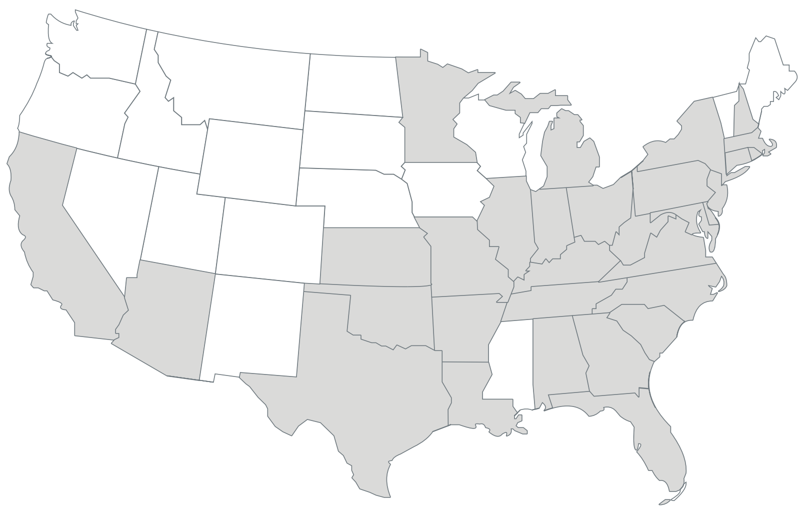
— Turnover increased by $7M

— A spectacular reversal of gross margin and EBITDA during the year, even after the high costs involved in the completed restructuring.

Although the entities acquired by the Group have primarily a cleaning background, Atalian is now striving to develop a global FM offering, executed by its in-house staff along with stringently selected contractors, in order to grab its share of the most profitable contract opportunities.

American market fragmentation provides Atalian with a mine of amazing opportunities for local, regional, and national growth, in as far as the Group can bring a competitive value proposal to the table and cash in on its power and its huge geographic footprint.

Atalian's value proposals involve a global service offering that is commercialised and executed by local teams while enjoying all the resources of a worldwide services platform.



KEY FIGURES

€210.1 M in turnover

6.9% of Atalian global turnover

4.4% growth compared to 2018

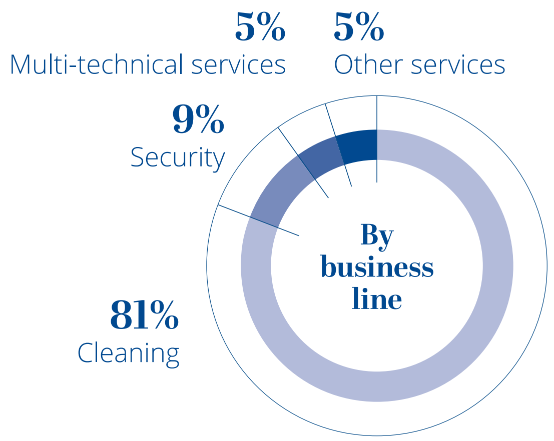
0.9% margin on EBITDA

93% customer loyalty rate

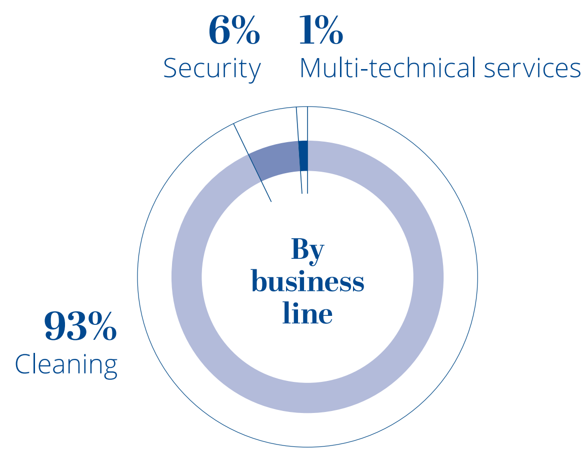
5,100 employees

31 States including Alabama, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New York, New Jersey, North Carolina, South Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, Virginia, and West Virginia.

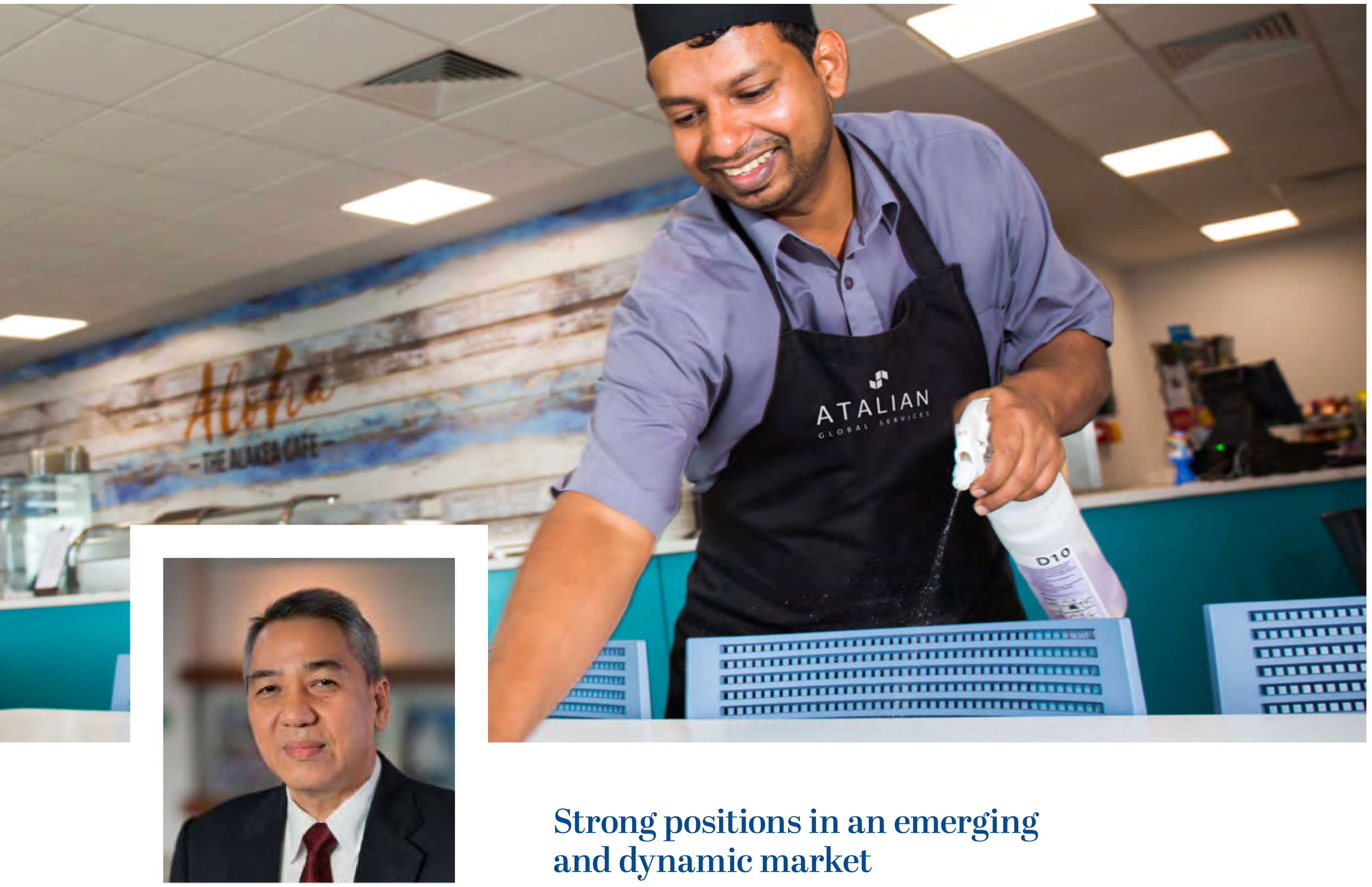
BREAKDOWN OF 2019 ACTIVITY



BREAKDOWN OF EMPLOYEES



Atalian in Asia



2019: a year of integration and consolidation in a dynamic market.

Yeoh Khoon Cheng
CEO Asia

Strong positions in an emerging and dynamic market

Atalian first established in Asia in 2014 and has expanded its regional presence through successive acquisitions. The Group is now present in eight countries and has a strong position in the area where it is established, mainly consisting of emerging economies. Malaysia, Singapore, and Indonesia are its main markets with significant growth potential in the other markets.

The markets in which Atalian operates are generally highly fragmented, both for demand and supply, with many single-business and single-site contracts operated by small local companies. Singapore is the exception with much more mature demand and big contracts from large companies.

Strong results

Despite intense competition, market contexts varying from country to country, and operational difficulties such as labour shortages and minimum wage regulations, Atalian managed to record double-digit growth in Asia in its sales and EBITDA (excluding Ramky Singapore), a growth mainly generated by Indonesia (more than 50% sales growth), the emerging power in Asia.

A year of integration and consolidation

After five years of growth, mainly by acquisitions, the priority in 2019 was to implement the systems, infrastructure, and resources needed for organic growth as seen in Indonesia, while ensuring operational performance and the application of the Group's values in local subsidiaries. The challenge in 2019 was also to strengthen Atalian management in Asia and have the essential resources and competencies in various countries to effectively implement the action plans established.

The Group has appointed a new highly experienced leadership team for the Asia region, coming from Facility Management but also other business sectors, and is focusing on improving the governance of subsidiaries, the commitment of their management and on operational efficiency relating to the sales force, customer service, and contract management.

The Atalian brand is beginning to be recognised in the Asian countries where the Group is present, particularly in Indonesia, and this is contributing to the integration process of companies acquired by the Group.

Very positive outlook

The growing Asian market for FM is offering Atalian and its integrated model sustained growth prospects of an estimated 3.1% of annual growth by 2025, and high margins for the next few years. The Group's objectives in Asia for the 2020-2022 period are the continued integration of subsidiaries, organic growth, diversification into new services with higher margins, and expanding Atalian's full range of FM services in every country with cross-selling and up-selling, improved operational efficiency, and strict cash management. In 2020, we are extending our presence in Asia to India, a highly promising and expanding market.

KEY FIGURES

€155.5 M in turnover

5.1% of Atalian global turnover

4.0% growth compared to 2018

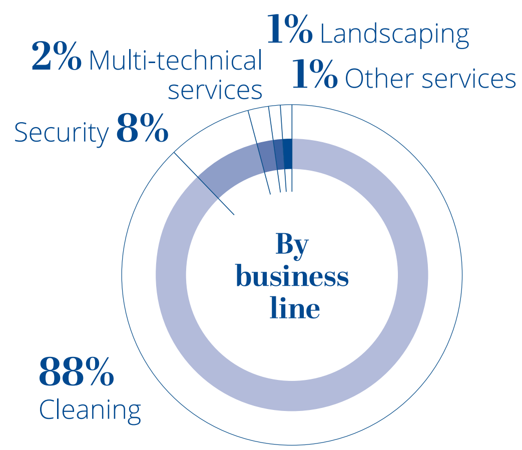
8.6% margin on EBITDA

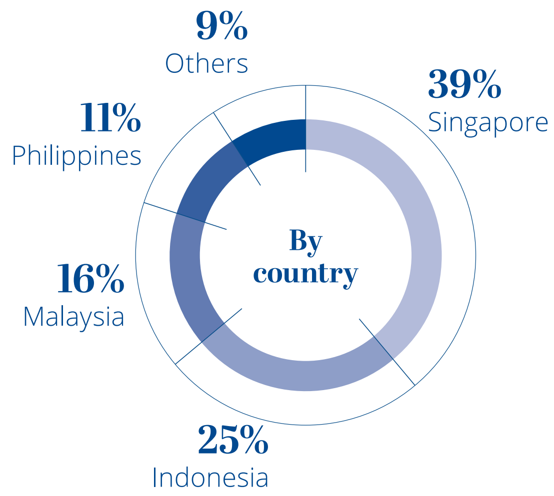
19,300 employees

8 countries including Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam.

29 subsidiaries

BREAKDOWN OF 2019 ACTIVITY





Atalian in Africa and the Middle East

> Atalian plans to take advantage of the tremendous potential of the African continent by deploying its global service offering, leveraging its business expertise, and supporting its international clients in their regional development.

Tarek Sehnaoui
CEO Central and Eastern Europe, Africa & Middle East

High potential markets

Atalian established itself in Africa by opening a Call Centre in Mauritius in 2003 but only actually started its Facility Management operational activities in 2015 by acquiring companies in Morocco and the Ivory Coast. The Group then developed in Africa and the Middle East through organic growth and acquisitions, thus expanding its geographic footprint to two new countries in 2018: Senegal and Lebanon.

This region, and the countries where we are present in particular, offer a great development potential for our international customers and for Atalian. The FM market is in fact still ripe for development in Africa and the Middle East (outsourcing rate just over 20%) and the major FM players only have a limited presence there. So Atalian wants to establish a platform in Africa generating strong sustainable and profitable growth.

A year of strong organic growth

In 2019, Atalian took advantage of the dynamic market in Africa and the Middle East to record growth of nearly 19% on a like-for-like basis (and 26.7% if acquisitions are added), by signing major contracts in the various countries where it is present with Eiffage, Nestlé, Dakar Airport, Hands, and Tangier Med Port Authority…

The Group has integrated its recent acquisition in Lebanon, diversified its activities, in particular by creating a cleaning company in Senegal, and implemented a regional strategy to approach prospective key accounts. It relies on the Group's experts in Africa, adopting their tools and processes for entering new markets and joining key local projects. Atalian now enjoys the image of a global operator and worldwide player in FM in the areas where it is present.

Objectives: profitable growth and diversification of the service offering

Atalian's objectives for 2020-2022 in the Africa & Middle East zone are to achieve self-financed organic growth of at least 10% per year and to optimise its operating margin. To achieve this, the Group will diversify its offering in all countries where it is present so it can develop cross selling with its customers and support them in their regional development. It will also have to considerably strengthen its local management and regional support teams, implement appropriate management tools, and share the Group's expertise and best practices in the different countries of the region.

KEY FIGURES

€39.1 M in turnover

1.3% of Atalian global turnover

26.7% growth compared to 2018

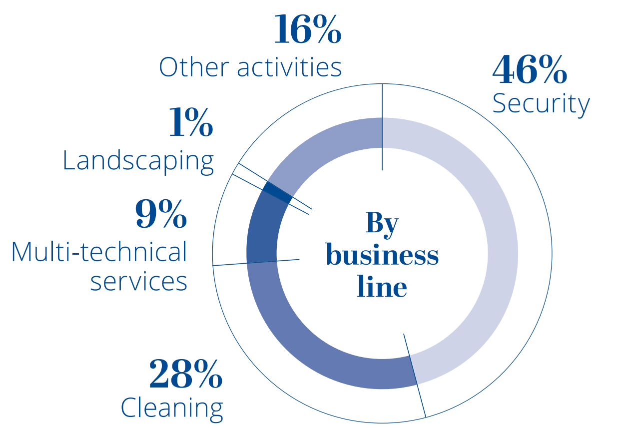
9.3 % margin on EBITDA

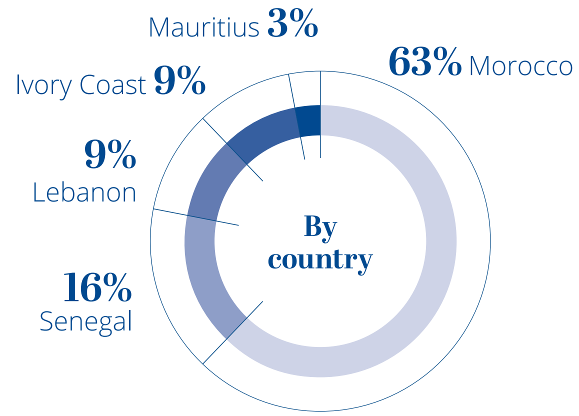
94% customer loyalty rate

14,600 employees

5 countries including the Ivory Coast, Lebanon, Morocco, Mauritius, and Senegal.

BREAKDOWN OF 2019 ACTIVITY





A wide and integrated range of Facility Management services

Atalian offers a very wide range of premium services to **a multi-sector clientele**, covering most companies and organisations' Facility Management needs. This service is **offered in-house**, following demanding and constant quality standards and benchmarks, wherever Atalian operates.

	Facility management A single contact that steers all our business lines	**Building Services:** High and low current networks – Heating, Air Conditioning, Ventilation, Smoke Extraction – Plumbing – Finishings – Energy Management **Occupant Services:** Cleaning – Safety – Home – 3D – Landscaping – Mail – Helpdesk – Waste management	**Support functions:** Regulatory compliance – Satisfaction survey – Risk prevention – Start-up teams – HQE operation – IT tools (BMS, CMMS, and Portal)
Soft services	**Cleaning & related services**	**Cleaning services:** Bio-stripping – Cryogenics – Painting installations – Anti-graffiti – Cleaning – Lamination – Vehicle preparation – Industrial sanitation – Ultra-cleaning	**Associated services:** On-site waste management (collection, sorting, storage) – Industrial sanitation – Air hygiene – Anti-parasite treatment – Small maintenance Working environment management (stocks and supplies, setting up meeting rooms, management of common areas, on-site logistics, and office to office moves, etc.)
Soft services	**Security, Surveillance & Safety**	**Surveillance Safety, Security**: Security and surveillance in all sectors – Security services in companies – Security of sensitive and classified sites – Patrol services and interventions – Guarding, filtering – Manning central security posts – SSIAP security services **Technical security solutions**: Audit, consulting & vulnerability analysis – Installation and maintenance of electronic security systems – Mobile video surveillance – Fight against drones – Intelligent fences – Intrusion detection, access control, intercom and videophone systems, and remote surveillance	**Airport security:** Reception and passenger assistance – Passenger and crew screening – Authorised handler cargo security – Reconciliation and documentary checks, Profiling – Boarding control – Aircraft security surveillance and search – Special checks and air cargo security visits – Facilities Security
Soft services	**Landscaping**	**Fitting out, maintenance and renovation:** Private and public parks and gardens maintenance – Infrastructure spaces: roads, motorways and tramways – Sporting facilities: natural and synthetic turf fields, tennis courts, golf courses, athletics tracks...	**Leisure areas:** playgrounds, squares – Natural areas: reforestation, tree management, protection, and rehabilitation – Masonry, carpentry, and landscape lighting
Soft services	**Catering**	**A full range of catering services:** Company canteen management – Coffee and cafeteria management – Event catering The brands Angel Hill, Catering Academy, and Ground House Coffee support the Atalian catering division	
Soft services	**Front of house & hosting services**	Corporate hospitality – Event hospitality – Event and sales promotion – Passenger reception: airport and rail - Art & culture - Temporary work and placements – Training Centres	
Soft services	**Airport assistance**	**Ramp assistance and baggage handling and retrieval:** Recovery, sorting and transfer – Under-aircraft delivery – Loading and unloading – Aircraft placement – Aircraft marshalling **Passenger Assistance:** Flight preparation and management – Ticketing – Check-in – Baggage claims – Taxi base management – VIP services	**Related Services:** Cabin arming and cleaning – Oversize handling – Check-in desk supplies – Barrier installation – Inventory management
Hard services	**Multi-technical services**	**Buildings monitoring:** installations management, subcontracted services management, customer budget management **Multi-technical maintenance:** HVAC engineering, HVAC, high and low current, fluid networks (gas, steam, compressed air, water), safety equipment for goods and persons **Energy Management:** monitoring and optimisation of buildings energy consumption in conjunction with technical maintenance services	**Technical trades and works:** air conditioning, heating, plumbing, networks, evacuation, ventilation **Industrial Utilities Management:** steam, process burners, compressed air, positive cold, industrial water treatment, depollution stations, process peripherals, etc. **Global management – Monitoring and prevention – On call 24 hours a day**
Hard services	**Construction & finishing works**	**Integrated finishing work services:** Flooring and parquet flooring, laminated parquet – Repair and maintenance work: plumbing, heating – Painting and wall coating: plastering, sanding – Layout, joinery, and transformation of premises: destruction, removable partitions – Masonry: destruction, tiling, marble	

Operating environments and sectors

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

Mass retail
Shopping centres, supermarkets, and logistics bases...

Public areas
Culture, education, entertainment, sport, rail and air transport, railway stations, airports, and metro...

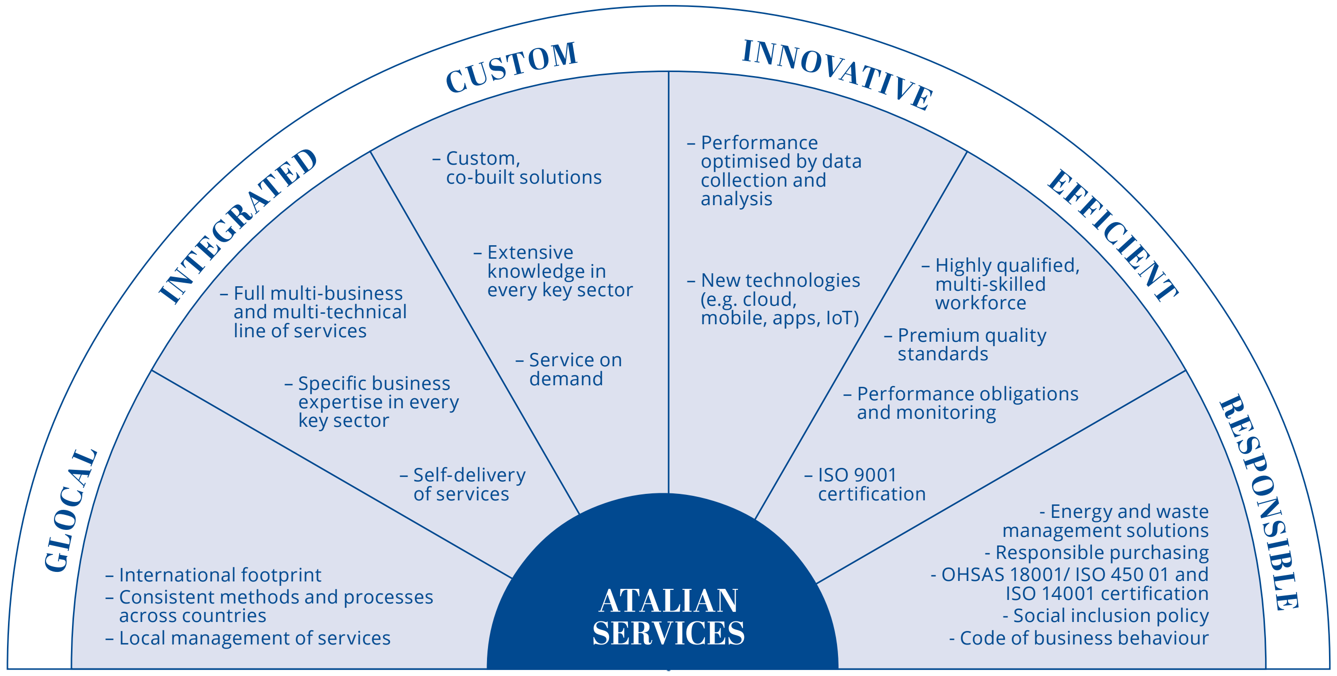
Sales and service areas
Shops, agencies and branch networks, and restaurants...

Healthcare establishments
Hospitals, clinics, and laboratories...

Industries
Aeronautics, food processing, automotive, chemicals, cosmetics, electronics, nuclear, paper, petrochemicals, pharmaceuticals, iron, and steel...

Creating value for our customers

Atalian's line of services contributes to the overall performance of businesses: including organisation, well-being at work, employee commitment, user experience, and environmental footprint. Whether a business needs one particular service, several services, or a comprehensive Facility Management solution, Atalian has the know-how, resources, and experience to provide added value to their employees and customers.



> **"Atalian's method is based on truly listening to customers', occupants', and users' needs. The challenge is not to provide a standardised service, but to support our customers by working as partners to develop specifications and come up with custom solutions.**
>
> **Sébastien Lastapis**
> CEO France & Benelux

KEY FIGURES

87% 2019 customer satisfaction index

92% Percentage of Group turnover from countries with ISO 9001 certification (or equivalent)

89% Percentage of Group turnover from countries with ISO 14001 certification (or equivalent)

68% Percentage of Group turnover from countries with ISO 45001/OHSAS 18001 certification (or equivalent)

Interview with Andrew Sugars

Chief Corporate Development Officer

> **"Today, what companies expect is ever greater productivity, and custom-tailored services. What we do is enhance their economic environmental, and social performance.**

What are the current expectations of companies in relation to Facility Management?

Cost optimisation remains the top priority for most parties that turn to an FM service provider. However, companies and organisations also expect their service providers to work more intelligently, more efficiently and **for them to add value** throughout their collaboration.

Today, there's a growing demand for highly personalised FM services. Clients want our services to be adapted to their activities, their specific needs, their personnel, their culture, and their image.

In addition, they're pushing FM providers to **demonstrate their added value**, to assess their performances, to share data and to benchmark them with the sector.

In which areas are we adding value for our clients?

We are notably doing this in two key areas, with **sustainable development** being first and foremost. Corporate social responsibility has now become a major issue for companies, that expect us to help them by enabling them to reduce their energy consumption and waste production, by advising them on best practices in occupational health and safety, and in other regulated areas as well. In terms of energy management, the solutions that we developed make it possible to guarantee energy savings as well as introducing innovations that improve the technical and cultural approach of our clients when it comes to sustainable development.

The second area is **building management**. The workplace has become a strategic tool for our clients, that must not only provide occupants with the best possible **quality of life** at work, but also increase **productivity** and the company's overall **performance**, promote the **attraction and retention of talented people**, and optimise the **brand image**, etc. Our clients expect us to help them meet these challenges by creating a work environment that perfectly suits their needs and those of their employees with a focus on **creating user experiences** and not just a reception or cleaning service.

What are the highlights of Atalian's range of services?

One of our strengths is that we passionately believe in our business lines and in "self-delivery". The in-house performance of our range of services for our entire portfolio strengthens our position in each region and helps us to achieve the highest quality standards. It also ensures that we remain both responsible and flexible. Training our employees for greater versatility enables us to help them grow and to provide them more job satisfaction, while optimising costs.

Are we at the dawn of a technological revolution in FM?

Technology is revolutionising the building industry. Sensors and connected objects provide data that, once analysed, enable companies to make decisions and steer their FM and real estate strategy over the long term. As such, we must take advantage of innovation so as to make our services more efficient and to meet the expectations of our clients and their users. Thanks to its partnerships with start-ups and its commitment to delivering value-creating technology solutions, Atalian is well positioned to lead this data-driven services revolution.

Can you illustrate this revolution with concrete examples?

I will give you two examples. **The first has to do with cleanliness**… A major railway operator has undertaken to reimburse passengers if the seats and toilets cannot be used because of a hygiene problem or malfunction. Using the cloud and the Microsoft Azure platform, we designed a **custom audit application** that allows us to monitor the status of the facilities and to decide on interventions while the trains are circulating. We and our client can monitor the state of cleanliness in real-time and, based on contractually agreed KPIs, proactively allocate the resources needed to carry out the appropriate cleaning operations. In addition to improved cleanliness and accurate monitoring of our performance, our client saves money by not having to reimburse dissatisfied travellers. Both the traveller's experience and the client's reputation benefit.

> **"Thanks to the new technologies, we can provide greatly improved travel experience and thus enhance the image of the companies that transport them.**

The second example involves intelligent office management. One of our clients with young and mobile employees is growing very quickly, and was feeling cramped at its headquarters. It needed to find a solution to optimally monitor and control the use of available office and work spaces. We therefore designed and implemented an intelligent building management solution based on the use of sensors. After mapping the building, we installed a set of sensors in the offices and workspaces in order to accurately measure their use. Based on the occupancy data that we collect and report in real-time using a customised dashboard, our client can make informed management decisions regarding the design of its future offices. This intelligent building management solution has been such a success that our intelligent sensors are now being used in our client's other offices.

> **"Owing to the wide self-delivered offer of FM services, we can cover all the needs of our clients and guarantee a high standard of quality with a permanent dedicated involvement wherever our brand appears.**

What are the most strategic business sectors for Atalian?

Atalian is active in a very broad range of sectors throughout the world, although **mass distribution and retail** are still showing very high growth rates for the Group. In these sectors, our clients have global footprints and require multi-service and integrated FM solutions. **The transport, industrial, and healthcare markets** are also fast-growing sectors for the Group. We have experts in these fields who can share their expertise across all of our regions and implement best practices on the sites of our clients. On a more local level, **the public sector and education** have been and will continue to be key markets for the Group.

How can Atalian reconcile a global model with local specifics?

We must "think globally" and "act locally". Both ideas are compatible. Being a global organisation with a strong local culture and local management actually benefits both Atalian and its clients.

By standardising management and information processes and systems across the 35 countries in which it operates, the Group can provide both its clients and its employees with a consistently high service level wherever they happen to be in the world. As such, Atalian is meeting the demand for consistency that our clients want for their entire portfolio of locations.

However, this standardisation must be combined with **careful consideration of local realities**. The approach adopted by the teams in the field and the way that they act must consider the characteristics and maturity of their market, as well as their political, social, economic, regulatory, and cultural environment…

To sum up, I would say that Atalian strives to implement a common methodology throughout the world with the aim of seizing opportunities and approaching markets, but without ever overshadowing local specifics.

REFERENCES

Accor – AEW – Airbus – Air Algérie – Air France – Altarea Cogedim – Amazon – Areva – Assemblée Nationale – Assistance Publique Hôpitaux de Paris – Auchan – ASDA – Axa – BBC – BGL Group – BNP Paribas – Bosch – Bouygues Bâtiment – Bricorama – Carrefour – Casino – Chronopost – Costain Skanska – Cyprius Airways – Dassault – Deltz Airlines – DHL – Disneyland – DO&CO – DSTL – Easy Jet – Electrolux – EDF – Eiffage – Evergreen Airlines – Faurecia – Flybe – Foreign Commonwealth Office – France Télévisions – Hilton – HMRC – Icade – Ikea – Immofinanz – Infimed – Institut Curie – International Workplace Group – Japan airlines – Kaufman & Broad – Kingfisher – Klépierre – LNER – Paris Aéroport – LafargeHolcim – Le Monde – L'Oréal – LVMH – Malaysia Airlines – MBDA – Mark & Spencer – McCain – McCarthy & Stone – Metropolitan Police – Microsoft – Monoprix – Morrisons – Natixis – Nexity – NRJ – OECD – Orange – Palais de l'Elysée – Poste Immo – Premier Foods – Primark – Printemps – Prologis – Qatar Airways – Qinetiq – RATP – Roland Garros – Safran – Schlumberger – Scottish and Southern Energy – Scottish Courts and Tribunals – Servair – SNCF – Sogeprom – Sri Lankan Airlines – Stade de France – Suez – SwissLife – Technip – Tesco – The Gym – The University of Edinburgh – Twin Jet – Unibail-Rodamco – United Nations Eductional Scientific and Cultural Organisation – UGAP – Vinci Construction

Cultivating innovation

> **Our goal is to think outside the box, to pose problems differently, to develop differentiating solutions, with high added value for the client and for the company and teams.**

Marie Lanciaux
Head of the Innovation Department

Atalian's Innovation Department, part of the Performance Department, is responsible for driving dynamic innovation within the Group to support its 2020–2023 transformation plan. As Marie Lanciaux, head of the department, points out: *'Our goal is to model the Technical and Service for tomorrow, provide alternative solutions that create value for Atalian and their customers. To achieve this, we must first succeed in instilling a new state of mind by getting Atalian teams interested in innovation. In 2019 we have taken a quantum leap forward in getting people to buy into our approach, especially the business experts...'*

The initial challenge is to detect emerging trends. The Innovation Department **actively monitors** methodological, technical, technological, and social innovation and **leads an ecosystem of partners** (startups, universities, and suppliers, etc.). It organises working groups and defines pragmatic, business-oriented roadmaps by sector (agro-food, retail, and transport, etc.) and launches tests on innovative products and processes with customers, in 'Lab' mode. It then analyses the results and the benefits obtained for the customer and for the Atalian operational team. If the experimentation is positive, the Innovation Department can extend the program to several regional pilots and, as appropriate, Atalian can proceed with the **large-scale deployment** of the optimised solution.

"We seek to develop solutions rapidly with high added value for the customer and for the operational staff. We are on short development timeframes, from a few months to two years maximum, because technologies and our customers' needs evolve rapidly", adds Marie Lanciaux.

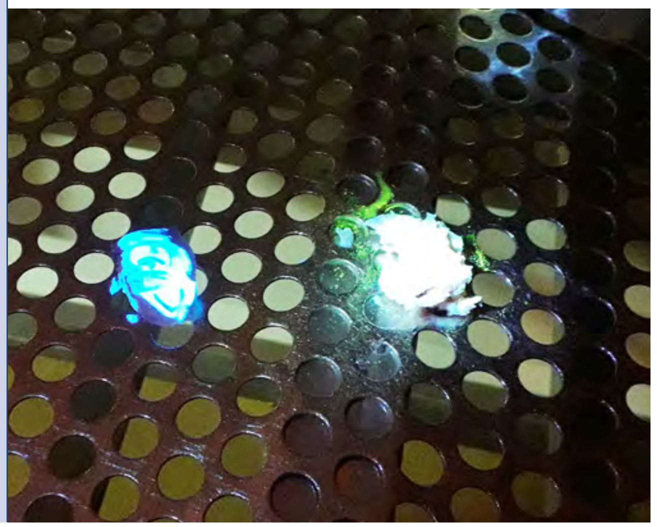
The deployment in 2019 of **the Innovation Squad digital platform** was a critical step for the Department. This platform, managed by a community manager, is a **large database** of categorised, documented and qualified products and processes, contacts, data sheets, and statuses...), from which everyone can glean innovative ideas, and as a collaborative tool. *"Innovation Squad has become **the CRM and support for our innovator community**. A community open to all, without hierarchy, function, or service, where knowledge, problems and questions, expertise, and contributions are fully transparent and shared. It also provides a **dashboard** with information and reporting on industry trends, strategic topics, the state of the startup pipeline, user commitment and activities,"* says Marie Lanciaux.

Thanks to this community, the Innovation Department found **commercial and operational 'sponsors'** to launch partnership experiments with pilot customers and selected innovative companies - around fifty startups revolve around the Atalian Group - in many fields: robot cleaning in the nuclear industry, occupational health and safety in the glass production industry, assessment of microbiological risk in the food industry, and cleanliness perception in shopping centres, etc. *"For the deployment of an innovative solution to succeed, we need everyone to be involved including business experts, sales staff, technicians, and our pilot customers"*, concludes Marie Lanciaux.

Making bacteria fluorescent to audit the cleanability of agro-food chains

The disinfection of production lines is essential in the agro-industry. However, how can you see with the naked eye if cleaning removes all the bacteria? The Innovation Department asked a specialist laboratory to help it deposit fluorescence on bacteria present on a production line, to identify the contamination paths, and thus define the most suitable cleaning protocol.

This 'cleanability audit', before the operational phase, is a new service that reinforces Atalian's value proposition for the agribusiness.



Robots to increase productivity and eliminate repetitive tasks

To avoid monopolising agents on simple and repetitive cleaning operations, Atalian has successfully experimented with an autonomous scrubber robot in the Penly nuclear power plant, equipped with an intelligent navigation system. The agent can concentrate on higher added-value tasks during the robot's work cycle and intervenes only if alerted (failure or malfunction).

Drones to access otherwise inaccessible areas

How to clean inaccessible cladding without conventional means (platform or cable access)? The Innovation Department has identified service providers specialising in drone cleaning and has carried out conclusive initial tests that will allow it to enter new market niches.

KEY FIGURES

Innovation Squad Platform

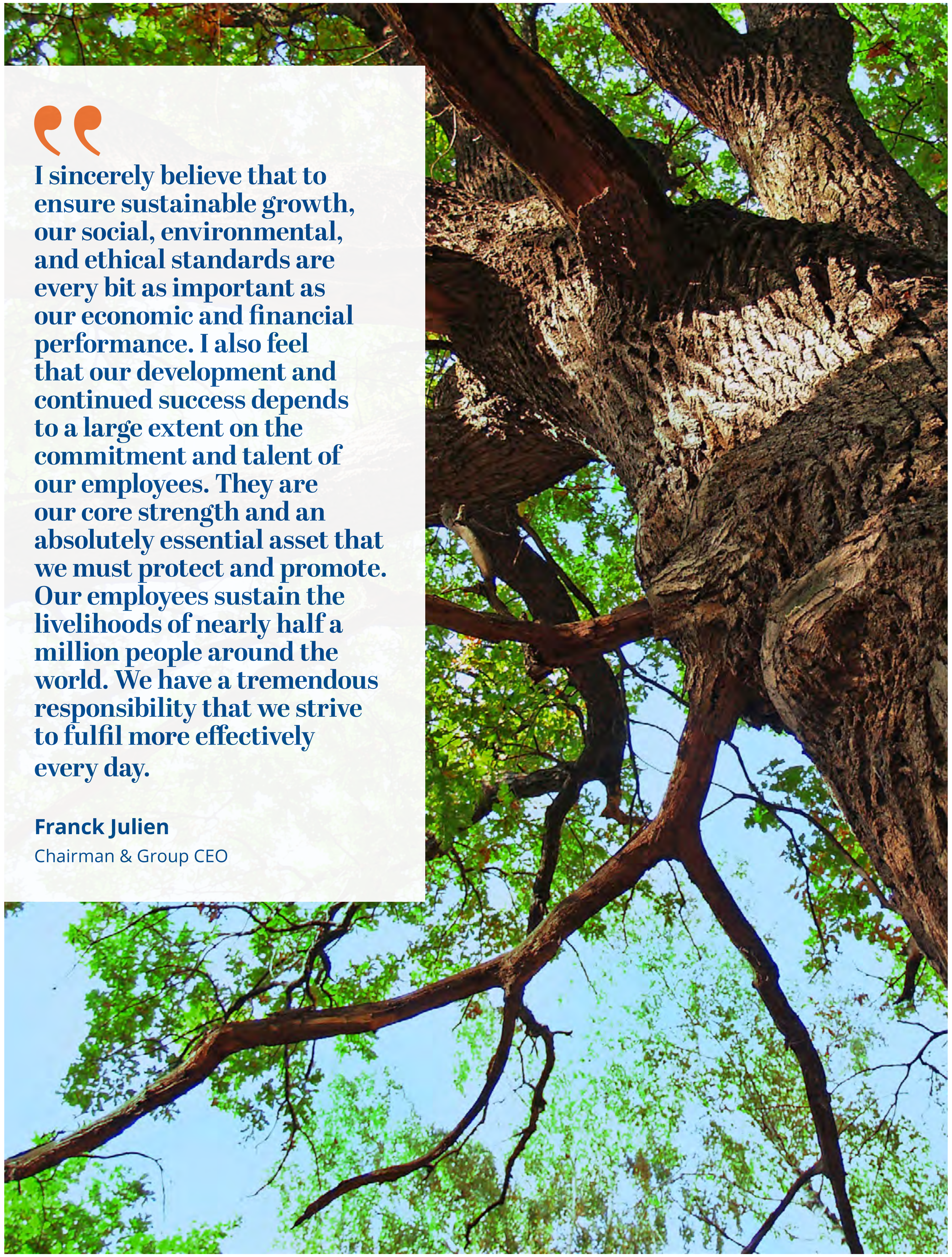
300 innovative solutions identified

120 registered members

12 active contributors

100 monthly visits

Corporate social responsibility



I sincerely believe that to ensure sustainable growth, our social, environmental, and ethical standards are every bit as important as our economic and financial performance. I also feel that our development and continued success depends to a large extent on the commitment and talent of our employees. They are our core strength and an absolutely essential asset that we must protect and promote. Our employees sustain the livelihoods of nearly half a million people around the world. We have a tremendous responsibility that we strive to fulfil more effectively every day.

Franck Julien
Chairman & Group CEO

Our corporate social responsibility

The Atalian Group is committed to sharing the values created alongside its employees and to generating positive impacts for society and the environment. Our extra-financial achievements are advancing year after year. For the third year in a row, the Group was awarded the EcoVadis Gold Medal.

ATALIAN	2016	2018	2020
ecovadis	62	66	66

Overall score
The Atalian Group is among the top 4% of companies evaluated by EcoVadis in its sector of activity.

Environment
The Atalian Group is among the top 7% of companies evaluated by EcoVadis in its sector of activity.

Social & Human Rights
The Atalian Group is among the top 11% of companies evaluated by EcoVadis in its sector of activity.

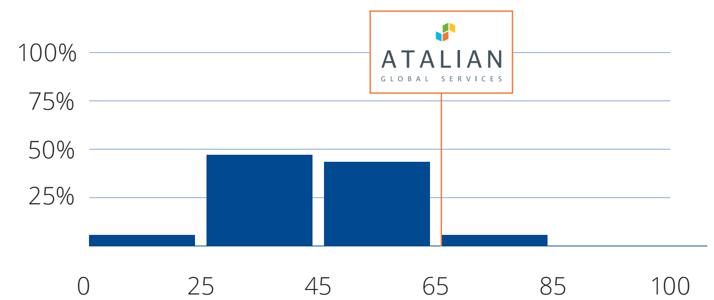
Responsible Purchasing
The Atalian Group is among the top 5% of companies evaluated by EcoVadis in its sector of activity.

Ethics
The Atalian Group is among the top 17% of companies evaluated by EcoVadis in its sector of activity.

SCORING ANALYSIS

CSR Performance *Insufficient* *Partial* *Moderate* *Advanced* *Excelent* *Average score*

BENCHMARK ANALYSIS WITH COMPETITORS' GLOBAL RATING



Serve as an employer of reference

Questions to

Carol Rambon
Group Human Resources Director

What are the current HR challenges at Atalian?

We are a service company whose business hinges on our employees. In whatever capacity they work in the company, they bring their skills and energy to both our external and internal customers. To ensure the Group's sustainability and future development, we are committed to being an employer of reference, capable of attracting and retaining candidates. However, our business lines are evolving rapidly alongside new technologies. Moreover, we are in a job market that is highly diverse from one country to another, and which is generally under pressure and even in short supply.

In France, for example, we have experienced difficulties in recruiting middle management positions. The candidate profiles we are looking for are quite rare. In Belgium and the Netherlands, we have great difficulty recruiting agents. Recruitment, skill development, and employee loyalty are among our current HR challenges.

How do you intend to attract and retain Atalian's future employees?

In 2019, we created a department specifically dedicated to HR development that has three main missions: managing skills and careers, training and, of course, recruitment.

To meet the emerging expectations of our customers, our business lines need to evolve rapidly and radically. We therefore need new skills: contract managers, facility management (FM) project managers, and engineers. We are continually looking to master new techniques and technologies: robotics, cobotics (collaborative robots), connected objects, apps, and drones. Therefore, we have to attract candidates from new horizons.

In order to recruit these new types of profiles and skills, we are intensifying our efforts on social networks to become more visible and develop our employer brand. We will also strengthen our partnerships with leading universities such as Paris-Dauphine University and the École des Arts et Métiers, as well as with foundations and social integration agencies. Our partnership with Industreet (see opposite) is a perfect response to our latest recruitment challenges.

INDUSTREET

What is Industreet? A project conceived by the Total Foundation, it is a free school for young people lacking qualifications, aged between 18 and 25, established in Stains, in Seine-Saint-Denis. Industreet will be opening its doors in the autumn of 2020 and training 400 young people a year in the industrial careers of the future. Industreet seeks to provide a concrete and innovative response to the challenge of youth unemployment at a time when more than 200,000 jobs are to be filled in industry in France due to the rise of robotisation and digitalisation. The Atalian Group invested in the creation of Industreet's **Multiservice Maintenance for Assisted Robots** sector and in defining training paths and educational content adapted to its skill requirements. Trainees will alternate between middle management and highly skilled agent positions such as team leader, IoT agent, and robotic agent. The first alternates will be joining Atalian in 2021.

What is your 2020-2022 roadmap?

Our strategy is part of the 2020-2023 Management Focus Client Transformation Plan. In addition to recruiting new candidate profiles and talents, we will also identify the potential available within the Group. We shall support them as they progress and develop their skills to meet the new expectations of our customers and our markets.

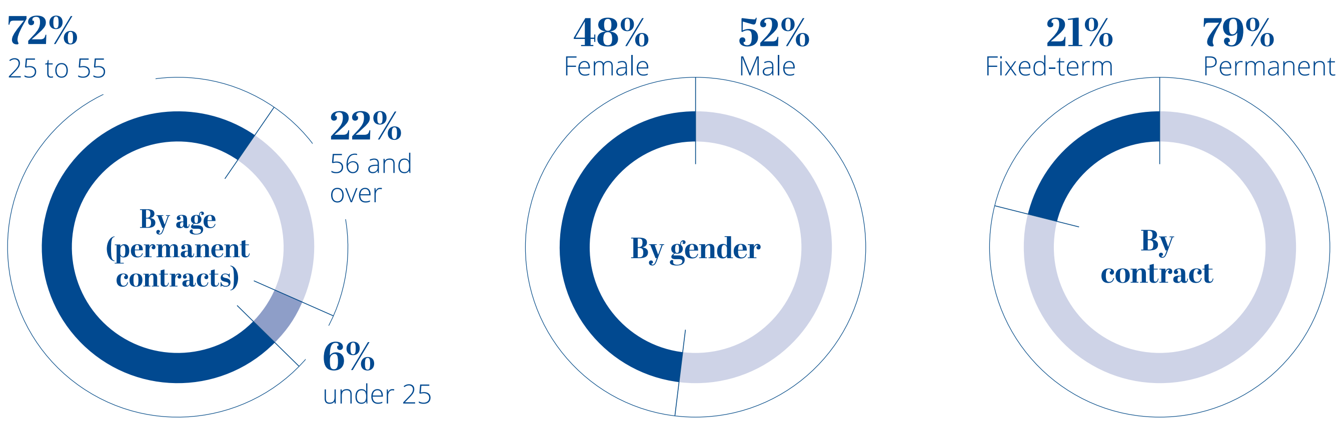
Thus, in the coming months and years, we will be intensifying training initiatives and programs, strengthening integration paths, and implementing a genuine forward-looking management of jobs and skills in the Group.

We have several other objectives for the next few years. In particular, we intend to reduce the number of fixed-term contracts, increase the working hours of our part-time employees, bring the workplace closer to home to facilitate ease of access to work, and harmonise our HR policies across all the countries in which we operate. There is no shortage of challenges in a Group of 137,000 people located in 35 countries.

ATTRACTING AND DEVELOPING TALENT

Under its long-term partnership with the **Paris-Dauphine Foundation and the Paris-Dauphine University**, Atalian established a 12-month Graduate Program in two successive positions. This enables young graduates holding Master's degrees in management, marketing, business development, finance, audit & management control, to enter the Group and discover the Group's business lines, culture and organisation. They can then benefit from an orientation and an assignment according to the Group's needs, their own wishes, and skills. Atalian also extended its Graduate Program to young graduates from the École des Arts et Métiers.

BREAKDOWN OF JOBS ON A GLOBAL SCALE



Ensuring the workplace health and safety of our employees

QUESTIONS TO

Tayeb Beldjoudi
Head of Performance

As the Group matures, one of the highlights of the 2019 financial year was the creation of the Performance Department. This department oversees and directs Transformation, Innovation, and HSQE. Its main objectives are to **transform, innovate, and improve the Group's operating methods** with a view towards improving customer satisfaction and loyalty. The aim is to enable the Group to fully assume its corporate social responsibility, particularly in terms of health and safety at work and to reduce its environmental impact.

In 2019, what were your main challenges and priorities in terms of HSQE?

The Atalian Group's HSQE policy enabled it to achieve very high standards. This is attested by multiple certifications as well as by the improvement in the performance indicators implemented. Our primary challenge in 2019 was to maintain all the certifications we obtained in the various countries in which we operate. The most difficult thing is not necessarily obtaining a certification, but to apply it in our day-to-day processes and to maintain it as part of a continuous improvement approach. In 2019, we were able to successfully renew all our certifications, whether they concerned Quality (ISO 9001), Safety (ISO 45001/OHSAS 18001), or the Environment (ISO 14001).

We also further professionalised our organisations with respect to some of our certifications. Our business lines are indeed becoming increasingly complex. They require greater levels of expertise to meet the applicable regulations, to satisfy the requirements of our customers, and to protect the health of our employees. For the CEFRI-E certification, in the nuclear sector, in 2019 we successfully launched an integrated, multi-trade, cleanliness, safety, and multi-technical certification, by setting up a national network of radiation protection advisors. Our three main business lines are now managed according to the same processes and requirements. This ensures an optimal level of performance.

One of our other top priority challenges was to be able to regularly monitor certain key indicators in terms of workplace health and safety. In 2018, we introduced a dashboard indicating accident frequency and severity rates for all our countries, applying the same calculation method. In 2019, this enabled us to monitor our Group-wide Safety Indicator on a monthly basis.

How do you monitor your HSQE action plans?

To achieve our objectives, we developed two essential tools that enable us to manage our HSQE action plans and measure their performance. Qualishare, on the one hand, is a collaborative HSQE management system software that enabled us to digitise the monitoring of our action plans, the follow-up of our safety discussions, our customer evaluation sheets, our document management, and the handling of our certification audits. Prévisoft, on the other hand, is a software designed to manage occupational risks, accidents at work, and occupational injuries and illnesses. In this respect, 2019 will remain a pivotal year for our Department.

What is your 2020-2022 roadmap?

My primary mission is to successfully implement our transformation plan, ensuring that we have tools adapted to both our business lines and our people that are simple to use and effective. Performance is measured by our ability to reach and even exceed our objectives with the minimum of difficulty. As a consequence, the challenge is to be able to coordinate all of our actions efficiently, to streamline our processes, and to further professionalise our certifications by adopting expert reference systems.

68%
Portion of Group turnover realised in entities certified Health and Safety*

57%
of countries are covered by a Health and Safety certification*

28
Health and Safety certifications*

*ISO 45001 /OHSAS18001 or equivalent in the Group turnover

RAISING AWARENESS AND TRAINING FIELD AGENTS

In order to proactively ensure the health and safety of our agents, we entirely revised the Group's HSQE instruction booklet. It can now be seamlessly deployed in all the countries where we operate and in all languages. The new booklet includes the main instructions and recommendations applicable to all, to work under the best possible safety conditions, to respond in the event of an accident, and to be aware of eco-friendly actions. It is distributed to all agents working on site and is accompanied by safety discussions throughout the year.

CONNECTED SOLES AND SENSORS FOR BETTER HEALTH AND SAFETY

To reduce the arduousness of cleaning operations in a factory producing glass bottles, the Innovation Department conducted a study with the support of an ergonomist.

The method: analyse the objective data of the strenuousness of the agents' tasks during an entire working day.

The means: connected soles for each agent enabling an analysis of routes, walking zones, and speeds of movement, in order to re-engineer the organisation; digital sensors to measure body rotations, load bearing, and heart rate, etc.

The identified solution: the use of cobotics and, more specifically, the use of pneumatic systems with suction cups to prevent agents from carrying waste glass bins (cullet, broken bottles, etc.).

Contributing to social inclusion and diversity at work

Facility Management is one of the major workforce activities and one of the last with such a wide range of qualifications. Atalian offers a high number of local jobs that do not necessarily require any particular qualification or command of the local language. We also offer part-time jobs that can provide extra work, limit job insecurity, or avoid the risk of falling into it. For these reasons, Atalian contributes to workplace inclusion and diversity wherever it operates.

Atalian is committed to combating all forms of discrimination related to age, gender, ethnic origin, and religious belief at all stages of human resource management, including hiring, training, promotion, and advancement, and for the inclusion of people with disabilities, the illiterate, the working poor, and the long-term unemployed.

155 nationalities

858 work-study contracts

CHARTE DE LA DIVERSITÉ SIGNATAIRE

THE GLOBAL COMPACT — NOUS SOUTENONS LE PACTE MONDIAL

ATALIAN IS A PARTNER OF THE SOCIAL AND SOLIDARITY ECONOMY

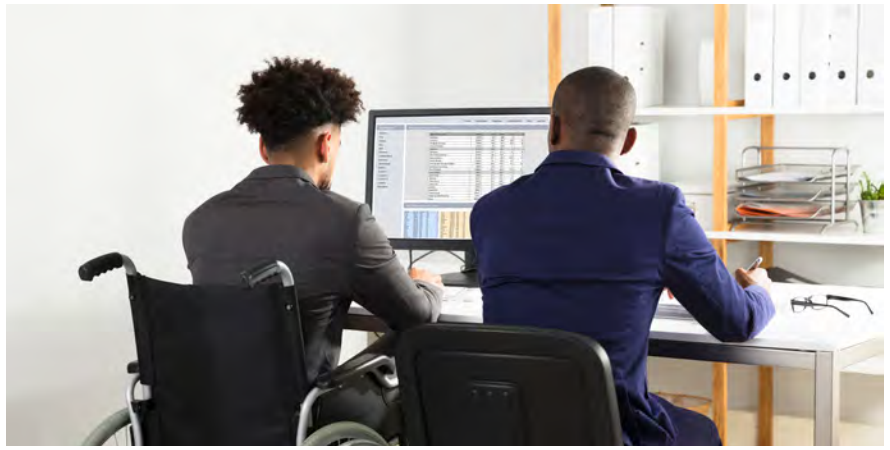
To meet its recruitment challenges and bolster its social commitment, Atalian decided in 2019 to rely on **Les Petites Rivières** - an agency that helps companies enhance their social impact. Atalian developed partnerships with SSE structures - to source relevant partners in the Group's main regions of operation: associations that connect school dropouts, corporate clubs committed to integration, reintegration associations, and temporary work integration companies, etc. The **Les Petites Rivières** agency likewise produced a methodological guide for HR and Atalian managers. This is to help them use the right tools and the appropriate partners according to their needs for urgent recruitment, one-off replacements, and customised training, etc.

ENCOURAGING A RE-ENTRY INTO THE WORKFORCE

Our French subsidiary, **Dialogue Partenaires Services** (DPS), founded in 1992 by individuals from the social and solidarity economy, is a company working to promote integration through economic activity. DPS assists people who are removed from the working world in their return to employment by providing them with a salaried position in the janitorial sector. Since its creation, DPS has made it possible for more than 5,500 people to benefit from their integration program. In 2020, DPS will strive to extend its activity to other Group business lines.

INTEGRATION OF DISABLED PEOPLE

Our Turkish subsidiary works closely with İŞ-KUR, the Turkish National Employment Agency. Every two months, it participates in meetings to present the job opportunities it offers to people with disabilities and conducts recruitment interviews for its various agencies and missions.



Reducing our environmental impact

As a signatory to the United Nations Global Compact and the Caring for Climate declaration, Atalian is fully committed to reducing the environmental impact of its activities and its customers' activities. To improve our environmental performance, we are changing our practices and operating methods and are developing innovative solutions in partnership with our customers and suppliers. Thanks to the worldwide deployment of high environmental standards, we are helping to preserve non-renewable resources and combat global warming.

OUR GOALS

- Reducing energy consumption
- Reducing carbon emissions
- Using eco-friendly products
- Sorting and recycling waste

SAVING ENERGY

Atalian is an innovative player in effective energy management for office buildings, logistics centres, and shopping centres. Its Ergelis service allows us to connect buildings and control them remotely through a smart tool (the Ergelis© web platform) and an Energy Manager. The Ergelis service is accompanied by a firm contractual result commitment.

Savings (in % of the bill) on the portfolio of connected buildings managed by Atalian

Office **14%** to **15%**

Shopping center **12%** to **13%**

Logistics **45%**

WASTE SORTING AND RECYCLING

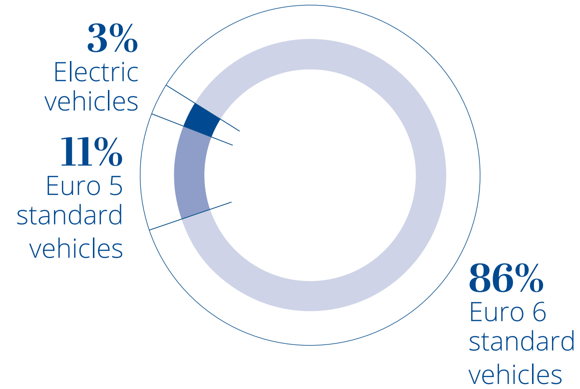
The waste produced by our activities on customer sites is processed either directly on-site or externally with our partners Veolia and Paprec, with whom we have concluded framework agreements. We also work with collection organisations for specific waste treatment. The increasingly restrictive regulations favour the generalisation of standardised sorting concepts to accelerate their deployment.

USING ECO-FRIENDLY PRODUCTS

For our cleaning and maintenance activities, we systematically prioritise using eco-friendly products that are less water consumption, gentler for the environment, etc. We are doing this in a growing number of countries, including countries that are not in high demand. This highly differentiating approach is now evaluated worldwide. In 2019, 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 fuel consumption, the Group encourages the use of eco-friendly vehicles and optimising travel, train drivers applying eco-friendly driving, and systematically offers the use of eco-friendly cars in its services. The vehicles are most often rented for a period of three years, which allows them to be replaced regularly by more efficient eco-friendly models.



Contributing to local social and environmental initiatives

Atalian supports multiple initiatives in the countries where it operates, and beyond, to help local communities transform people's lives and improve their environment. Involved in numerous associations, foundations, and non-government organisations, the Group contributes to social (education, health, food safety) and environmental projects (cleaning, depollution).

France

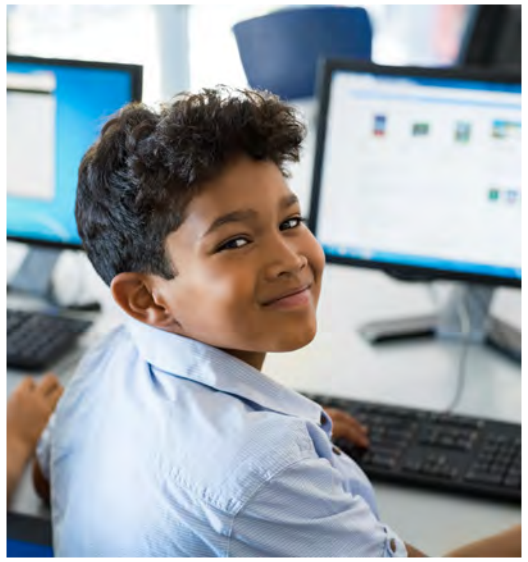
CURING CANCER IN THE 21ST CENTURY

Atalian supports Europe's leading cancer care and research organisation, the Gustave Roussy centre. The Group has signed a partnership with the **Gustave Roussy Foundation** to support the 'Cure Cancer in the 21st Century' campaign. This provided the funds necessary to renovate the waiting areas in the premier European cancer centre.

Turkey

BLOOD AND STEM CELL DONATION AT RED CRESCENT

In collaboration with the NGO Red Crescent, our Turkish subsidiary organised a blood and stem cell drive. More than twenty people volunteered, including our Turkish subsidiary's technical service team.



DONATION FOR EDUCATION

Atalian Turkey donated£7,000 to the Turkish Education Foundation, giving one of its students a chance for a bright future.

Malaysia

HARTA MULTIPLIES CSR INITIATIVES

In Malaysia, our subsidiary Harta is multiplying initiatives to improve the well-being of its employees and their families.

BACK TO SCHOOL PROGRAM

To help its employees pay for their children's books and school supplies for the year 2019, Harta granted financial assistance to 104 families, for a total amount of RM 18,400.

FOOD AID

The Human Resources Department organises a food aid program (quarterly distribution of bags of rice) to build loyalty and commitment with employees in need.

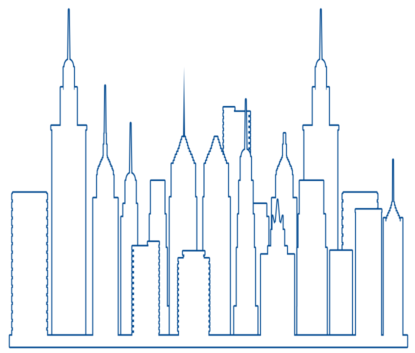
SOLIDARITY

In April 2019, Harta supported the action taken by Kuala Lumpur City Hall and the Global Environment Center to preserve the Sungai Batu River and raise public awareness of environmental protection. It also participated in the Capital Cleanup Plan.

Thailand

MONKS HONOURED AT ATALIAN

On July 16, Atalian Thailand invited the monks from the local temple to its offices to celebrate the festival of Asalha Puja, an important event in the Theravada calendar, the largest Buddhist tradition in Thailand.



USA

ATALIAN, SUPER HERO IN NEW YORK

Atalian USA is a partner in **Defeat the Streets**, a non-profit charitable organisation that helps those who fight for the underprivileged in New York City by highlighting their good deeds and giving them the recognition they deserve. With a status of Super Hero, Atalian USA has committed itself to Defeat the Streets for three years running.

https://www.defeatthestreets.com

GRI G4 indicators

The Atalian Group finalised the implementation of global reporting for the social and environmental fields, integrating almost 70% of the GRI G4 indicators. The table below summarises the non-financial performances observed for the entire Group by activity area.

CSR THEMES	MONITORED INDICATORS	FRANCE & BENELUX	UK & IRELAND	EUROPE	USA	ASIA	AFRICA	GROUP
GOVERNANCE	EcoVadis assessment	-	-	-	-	-	-	66
ECONOMY	Turnover (€M)	1,522.8	795.7	333.3	210.1	155.5	39.1	3 058.5 (incl. CA holding)
SOCIAL	**Total number of employees (Permanent, Fixed term, and Temporary/interim)**	**56,961**	**28,033**	**17,030**	**5,253**	**19,303**	**19,296**	**145,876**
	Women	33,938	15,091	9,070	2,376	5,046	4,665	70,186
	Men	23,023	12,942	7,960	2,877	14,257	14,631	75,690
	Managers	1,393	1,306	976	179	234	806	4,894
	Female Managers	400	487	363	55	87	13	1,405
	Male Managers	993	819	613	124	147	793	3,489
	Total number of employees (Permanent and Fixed term)	**56,659**	**27,969**	**13,286**	**5,129**	**19,303**	**14,645**	**136,991**
	Permanent Employees	47,213	27,969	10,592	5,129	3,765	13,868	108,536
	Female Permanent Managers	398	487	231	55	69	11	1,251
	Male Permanent Managers	992	819	438	124	72	28	2,473
	Female Permanent Employees	27,661	14,569	4,390	2,265	1,790	3,286	53,961
	Male Permanent Employees	18,162	12,094	5,533	2,685	1,834	10,543	50,851
	Fixed-term Employees	9,446	0	2,694	0	15,538	777	28,455
	Female Fixed-term Employees	5,649	0	1,858	0	3,187	3	10,697
	Male Fixed-term Employees	3,797	0	836	0	12,351	774	17,758
	Temporary/interim employees	302	64	3,744	124	0	4,651	8,885
	Female Temporary/interim employees	230	35	2,591	56	0	1,365	4,277
	Male Temporary/interim employees	72	29	1,153	68	0	3,286	4,608
	Hiring rate	9%	65%	51%	58%	13%	7%	33%
	Female Hiring rate	5%	36%	22%	29%	7%	1%	18%
	Male Hiring rate	4%	29%	29%	28%	6%	6%	16%
	Resignation rate	4%	16%	29%	7%	4%	3%	11%
	Female Resignation rate	2%	8%	15%	3%	3%	0%	6%
	Male Resignation rate	1%	8%	14%	4%	1%	3%	5%
	Turnover rate (all reasons combined)	9%	64%	63%	55%	9%	5%	34%
	Female Turnover rate (all reasons combined)	5%	37%	39%	26%	6%	1%	19%
	Male Turnover rate (all reasons combined)	4%	27%	24%	29%	3%	4%	14%
	Promotion rate	0%	0%	0%	2%	1%	0%	0%
	Female Promotion rate	0%	0%	0%	1%	0%	0%	0%
	Male Promotion rate	0%	0%	0%	1%	0%	0%	0%
	Junior Employees < 25 years old (% of total permanent employees)	1%	9%	7%	7%	5%	10%	6%
	Female Junior Employees < 25 years old (% of total permanent employees)	1%	5%	2%	3%	1%	3%	3%
	Male Junior Employees < 25 years old (% of total permanent employees)	1%	4%	5%	4%	4%	7%	3%

CSR THEMES	MONITORED INDICATORS	FRANCE & BENELUX	UK & IRELAND	EUROPE	USA	ASIA	AFRICA	GROUP
SOCIAL	Senior employees > 55 years old (% of total permanent employees)	14%	26%	16%	31%	2%	4%	22%
	Female Senior employees > 55 years old (% of total permanent employees)	9%	14%	9%	13%	1%	1%	12%
	Male Senior employees > 55 years old (% of total permanent employees)	5%	12%	8%	18%	1%	3%	9%
	Weighted average years at the company - Female Managers	12.60	2.00	9.11	5.00	6.57	2.80	7.57
	Weighted average years at the company - Male Managers	4.00	3.00	7.00	7.00	5.29	2.80	5.14
	Disabled workers	4%	0%	4%	0%	0%	0%	2%
	Apprentice ship / Work-study contracts	811	0	37	1	7	2	858
	Trained Employees	5%	0%	4%	64%	54%	1%	24%
	Female Trained Employees	3%	0%	3%	32%	37%	1%	14%
	Male Trained Employees	2%	0%	1%	33%	17%	1%	10%
	Number of provided training hours	215,386	0	14,112	14,896	304,764	23,382	572,540
	Percentage of employees covered by a collective agreement	98%	0%	2%	24%	4%	12%	42%
HEALTH / SECURITY	Frequency Rate	28.69	7.09	7.72	2.26	1.61	2.35	10.74
	Severity Rate	1.28	0.05	0.14	0.1	0.02	0.04	0.38
	Number of ISO 45001, OHSAS 18001 or equivalent certifications	2	4	14	NC	8	0	28
	% of countries with ISO 45001, OHSAS 18001, or equivalent certifications	100%	100%	79%	NC	50%	0%	57%
	% of countries with ISO 45001, OHSAS 18001, or equivalent certifications (compared to country turnover)	100%	NC	95%	NC	82%	0%	68%
	% of countries with ISO 45001, OHSAS 18001, or equivalent certifications (compared to staff)	100%	100%	93%	NC	82.2%	0%	55%
QUALITY	Number of ISO 9001 or equivalent certifications	5	4	23	2	10	4	48
	% of countries with ISO 9001 or equivalent certifications	100%	100%	93%	100%	75%	40%	83%
	% of countries with ISO 9001 or equivalent certifications (compared to country turnover)	100%	100%	99%	100%	88.3%	66%	97%
ENVIRONMENT	Number of ISO 14001 or equivalent certifications	1	4	14	2	7	0	28
	% of countries with ISO 14001 or equivalent certifications	100%	100%	86%	100%	50%	0%	63%
	% of countries with ISO 14001 or equivalent certifications (compared to country turnover)	100%	NC	93%	NC	77.8%	0%	89%

Risk factors

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. Outside of France and the UK, we have historically been exposed to downturns in the rest of Europe including Russia, Turkey, the United States, Southeast Asia and North and West Africa.

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.

We are also susceptible to political developments. On January 31, 2020, the United Kingdom left the European Union and entered in a transition period for eleven months during which the United Kingdom and the European Union will negotiate a Free Trade Agreement (FTA) and equivalence in financial services, by the end of 2020. Given the limited time available, the current outbreak of Coronavirus, and the UK Government's stance that it does not want an extension beyond the end of 2020, the lack of an FTA in effect at the end of the transition period remains a risk. Experience has shown that trading concerns for businesses and investors can have negative consequences for the economic outlook.

This may continue to lead to significant uncertainty, volatility and disruption in European and broader financial and economic markets, including the United Kingdom market and could lead to significant changes in the currency markets of the countries in which we operate or other adverse effects on trading agreements or similar cross-board cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise). Our UK operations employ non-British citizens. There can be no assurance that we will be able to retain the same or similarly skilled employees that our UK operations currently employ due to the uncertainty surrounding the terms of the FTA. We are exposed to the risk that we may need to hire a substantial number of new staff, so that we can comply with any new labour and immigration laws in the UK after the transition period, which could have a material adverse effect on our businesses, results of operations, financial condition and which could also have an impact on our contracts in the public sector.

Our business, financial condition and results of operations and prospects may be adversely affected by the recent COVID-19 outbreak.

The COVID-19 ("Coronavirus") outbreak is currently impacting countries, communities, supply chains and markets, as well as the global financial markets. France, the United Kingdom and the United States, which represent our main regions of operations outside Asia, are currently among the countries most affected by the outbreak. As a result, since the second half of March, we have experienced significant shortfalls in revenue principally in France, the United Kingdom and to a lesser extent the United States, and a decrease, albeit to a lesser degree due to the decrease in our variable costs and our cost mitigation measures, in profitability. To date, the Coronavirus has not had other material impacts on us. However, the scale and scope of this pandemic is unknown and the duration of the business disruption and related macro-economic, financial and societal impact, including on labour costs in the countries in which we operate and prevailing low interest rate levels, cannot be reasonably estimated at this time. While we have taken and are continuing to take a set of actions to mitigate the impact of the outbreak on our business and financial results, there is no guarantee that these actions will be successful. We have already experienced certain disruptions to our business and disruptions may also occur for our customers or suppliers that may materially affect our ability to operate our business.

The extent to which the current outbreak or any other health epidemic may impact our business and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity and longevity of the Coronavirus and the actions to contain the Coronavirus or treat its impact, among others. Accordingly, the Coronavirus 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 a 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 2022 or at all. Our strategies may also be affected by factors beyond our control, such as volatility in the world economy and in each of our markets, the impact of the current Coronavirus outbreak, 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.

Until 2019, our business had grown significantly through acquisitions of companies in new geographical regions. There are risks associated with the continued integration of our past 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. For example, in 2019, our affiliate Getronics faced severe liquidity pressures, and engaged in an attempted recapitalization of the business. This led to a full impairment of our investment in Getronics. The carrying value of our investment in Getronics at September 30, 2019 was €74 million. In addition, in April 2019, our auditors requested additional time to complete their audit procedures with respect to our UK multi-technical divisions (which we acquired in 2018) that specialize in mechanical and electrical installations, requiring us to delay our results announcement beyond the publication date specified by our financial reporting obligations in the indentures governing our senior notes.

Our international operations may subject us to additional risks.

We operated in 35 countries as of December 31, 2019, primarily in the France, the UK, United States, the rest of Europe, Southeast Asia and Africa. 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.]

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 2019, 48.5% 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. The United Kingdom is our largest international market in terms of revenue, and we are therefore meaningfully exposed to fluctuations in the value of the pound sterling against the euro. We are exposed to fluctuations in the value of the U.S. dollar against the euro and the United States was one of our largest international market in terms of revenue in 2019. We are also exposed to currency risk as a result of our operations in Turkey, Malaysia, Indonesia and Poland, as the currencies in these countries have recently tended to decrease in value against the euro. 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 local businesses in our UK and 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, 92.4% of our revenue in the twelve months ended December 31, 2019, the profitability of our contracts will generally depend on our ability to control these costs successfully, and a failure 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.

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 64.9% of our total revenue in 2019. 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.

Any increases in the statutory minimum wage in any country or industry in which we operate may increase our personnel costs and negatively affect our operating margins and operational flexibility. For example, increases from 2015 to 2017 in the statutory minimum wage in France and the minimum wage under the relevant collective bargaining agreements in France had a direct adverse impact on our personnel costs. Further increases of the minimum wage took place in 2019 under the national collective bargaining agreement for cleaning services (+1.6% on May 1, 2019 and an 0.2% additional increase on July 1, 2019. Similarly, UK's cost of sales has been impacted by regulatory changes, including scheduled increases in the UK National Living Wage that began in 2016 for workers aged 25 and over and by auto-enrollment pension costs. Although the impact of these increases on cost of sales as a percentage of revenue has been limited to date because, under most of its current contractual arrangements, our UK operations are able to pass through these costs to its customers, there can be no assurance that it will always be possible for our UK operations to pass along these costs. In addition, the impact of the current pandemic of Coronavirus on labour costs and importation and exportation of labour between countries is unknown. An increase in personnel or an inability to adapt labour requirements to service demand, to increase our prices in line with an increase in personnel costs that are the result of unfavourable changes in labour and immigration laws and the labour markets more generally or in the terms of collective bargaining agreements applicable to our business may have a material adverse effect on our business, results of operations and financial condition.

In December 2012, the French parliament enacted the CICE, as part of an overall French government policy to support employment in France and improve the competitiveness of the French economy. Pursuant to the CICE, French corporations have been entitled to a tax credit equal to 7% of the gross salaries paid to certain employees in 2017 and 6% of the gross salaries paid to these employees as from January 1, 2018. The amount of the CICE is calculated on the basis of gross salaries paid in the course of each calendar year to employees whose wages are up to a maximum of 250% of the French statutory minimum wage. Pursuant to

the terms of the CICE scheme, for any given employee, the French statutory minimum wage is calculated on the basis of such employee's regular working hours plus such employee's overtime hours (but without taking into account the overtime rate payable in respect of such overtime). Under our current accounting policies, we are able to record the benefit of the CICE for which we are eligible as a deduction from personnel costs. As such, the benefit of the CICE has a positive impact on our operating income and our EBITDA.

However, as from January 1, 2019, the CICE has been cancelled and replaced by a 6% reduction of employer social security contributions applicable to the same employee gross salaries as those eligible for the CICE, subject to an adjustment that varies by employee and is based on a ratio of the employee's salary and the minimum statutory salary in accordance with a formula.. Apart from the impact of the reduction of the rate from 7% to 6% and the impact of the new rules on the basis to which the reduction will apply, this change in law will not eliminate the positive effects on our reported operating income or EBITDA, but could increase the tax base and could impact the monthly cash volatility.

Finally, some of our large customers have in previous years exerted price pressure on the Group to decrease its prices proportionally to the benefits of the CICE, therefore eliminating the positive impact of the CICE, which had an impact on our revenue and margins. This price pressure could also continue even after the replacement of the CICE with a reduction in employer contributions and thus might have an aggravated impact on our revenue and margins thereafter.

An investigation involving our relationship with one of our subcontractors has led us to identify certain deficiencies in our internal controls and may have a material adverse impact on us and expose us and our principal shareholder to liability.

As previously reported, in 2017, following searches by the police and custom authorities acting under a search warrant issued by French judicial authorities that we understand to have been targeted principally at a general contractor regularly retained by us as subcontractor, we conducted an internal investigation that identified invoices issued to, and paid by, Maintenance Technique Optimisée ("MTO"), one of our French subsidiaries, in an aggregate amount of approximately €1.7 million, that related to renovation and construction work at a building owned by a company wholly owned by our indirect principal shareholder and Group CEO in Brussels that contains a business centre leased by us as well as his private residence. In March 2017, the company owning the Brussels building reimbursed the full amount improperly invoiced to us. This matter revealed certain deficiencies within our internal control framework relating to our due diligence screening of subcontractors and the monitoring of subcontractor work and payments.

In January 2019, we were informed that our indirect principal shareholder and Group CEO was placed under formal investigation (mise en examen) by the relevant French judicial authorities for alleged misuse of corporate assets (abus de biens sociaux) in connection with these matters. In addition, we understand that certain employees of the Group performing technical and administrative services were also placed under formal investigation (mise en examen) in connection with this matter. In 2019, our compliance team conducted an additional internal investigation of the use of subcontractors by MTO during the period from 2013 to 2017, and we also retained forensic accountants to perform a review of these matters. In certain instances, we were not able to conclude that invoices submitted by subcontractors were properly supported by the services rendered. These invoices included approximately €1.2 million appearing to be related to renovation and construction work in the Brussels building, for which we claimed reimbursement from the company owning the building. These investigations also identified material deficiencies in our accounting systems access controls and led to the discovery of improper conduct on the part of certain of our former executive officers. In July 2019, we filed a criminal complaint against certain of our former executive officers for misuse of corporate assets and other wrongful conduct. Specifically, the complaints alleges are based on the belief that the defendants failed to disclose direct and indirect interests in subcontractors used by the group, used corporate funds to pay personal expenses, obtained unauthorized personal loans and advances, refused to cooperate with internal investigations and the Group's compliance policies and engaged in other improper conduct. All of the individuals involved have been terminated by the Group. As a result, as previously disclosed, we wrote off intra-group capitalized expenses related mainly to the years 2013 and 2014 for an amount of €3.5 million. In addition, in 2018, we wrote off our claim for reimbursement of €1.2 million against the company owning the Brussels building.

We have taken steps to address the deficiencies within our internal control framework brought to light by these matters by significantly overhauling our compliance, internal audit and internal control functions, adopting a code of business conduct and other compliance policies and procedures in all of our countries of operations, as well as conducting training sessions on these matters for our staff and improving our corporate governance. There is no assurance, however, that additional failures in our internal controls will not exist or otherwise be discovered in the future. If our efforts to improve our internal controls are not successful, or if other deficiencies in our internal controls 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.

We may also face risks in relation to any divestments we may undertake. We have undertaken a divestment program to focus on our core businesses, and in 2019 we disposed of our landscaping division in France. Our landscaping division generated revenue of approximately €70 million in France in 2018, representing 2.6% of our revenue, and contributed approximately €66 million to our results of operations in 2019. The enterprise value of the sale proceeds amounted to €34 million. 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:

— 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 and the UK. 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, the United Kingdom 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.

Our international presence requires us to maintain effective project and site management, and if we fail to do so our business could be harmed.

Our international presence involves the retention of local management teams to serve as a link between the local market and the Group. Local managers therefore retain autonomy with respect to the management of our operations in their markets. In order to ensure that the projects we take on are executed effectively and profitably, we need to have a high degree of project and site management expertise, particularly in evaluating the costs of providing our services to the relevant customer and in maximizing efficiency in providing the contracted services throughout the term of the contract. If our local management team does not have the required project and site management expertise, we may be unable to efficiently and profitably render our services, and we could experience increased contract execution costs or operating losses, difficulty in obtaining timely payment for our services, or harm to our reputation, any of which could 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 relationships 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 €1,066 million as of December 31, 2019 (€1,066 million as of December 31, 2018), or 47.3% of our total assets.

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 did not record any goodwill impairment during 2019. 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, particularly Mr. Franck Julien, the Chairman of AHDS and Group CEO of La Financière Atalian, Mr. Jean-Jacques Gauthier, Deputy CEO & Group CFO and Mr. Rob Legge, Deputy CEO & Group COO. 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 related to food service.

In the UK, our catering services provide customers with food products for human consumption, which exposes us to safety risks such as product contamination, spoilage or product tampering. Such safety risks may require destruction of inventory and could result in negative publicity, temporary interruption of operations and substantial costs of compliance or remediation. We may be impacted by publicity regarding any assertion that our catering services cause illness or injury. We could also be subject to claims or lawsuits relating to an alleged or actual illness stemming from product contamination or any other incidents that compromise the safety and quality of food products provided by our catering division.

A significant lawsuit or other event leading to the loss of consumer confidence in the safety and quality of catering services could damage our brands, reputation and image and negatively impact sales, profitability and prospects for growth. We cannot guarantee that our efforts to monitor food and product safety risks will be successful or that such risks will not materialize. In addition, even if our products or services are not affected by contamination or other incidents that compromise their safety and quality, negative publicity about our catering business could result in reduced consumer demand for its products and services.

Any claims, lawsuits or negative publicity related to the healthiness, safety and quality of our catering operations' services may damage our reputation, increase its costs of operations and negatively impact demand for our catering services. Our catering operations' sales may be affected, which may have a material adverse effect on its business, results of operations, financial condition and prospects.

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.

The interests of our ultimate principal shareholder may be inconsistent with the interests of the noteholders.

Currently, we are indirectly owned by our ultimate controlling shareholder and Group CEO, Mr. Franck Julien. As a result, Mr. Franck Julien is able to control matters requiring shareholder approval, including the election and removal of our directors, our corporate and management policies, potential mergers or acquisitions, payment of dividends, asset sales and other significant corporate transactions. The interests of Mr. Franck Julien could conflict with the interests of the holders of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, Mr. Franck Julien could cause us to pursue acquisitions, divestitures, financings, dividend distributions or other transactions that, in his judgment, could enhance his equity investments, even though such transactions might involve risks to holders of the Notes. Furthermore, Mr. Franck Julien may sell all or any part of his shareholding at any time or look to reduce his holding by means of a sale to a strategic or financial investor, an equity offering or otherwise. Such divestitures may not trigger a change of control under the indentures governing our senior notes.

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, 2019, our net deferred tax assets totaled €74.2 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, 2019, we the amount of provision incurred amounted to €13.4 million for employee 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, 2019, we and our consolidated subsidiaries had €1,427.0 million of gross debt (including off-balance sheet factoring and lease liabilities under IFRS 16). In addition, we are party to a €103.0 million revolving credit facility agreement, of which €49.0 million remained undrawn as of December 31, 2019.

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 2018 is currently 2.50%. 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."*

Financial performance

Comments on the key financial data

Since my arrival in the Group, we have implemented measures to monitor and improve the financial performance, as we need to be more reactive in managing profitability, cash generation, and to deleverage the Group.

Bruno Bayet
Group Controller

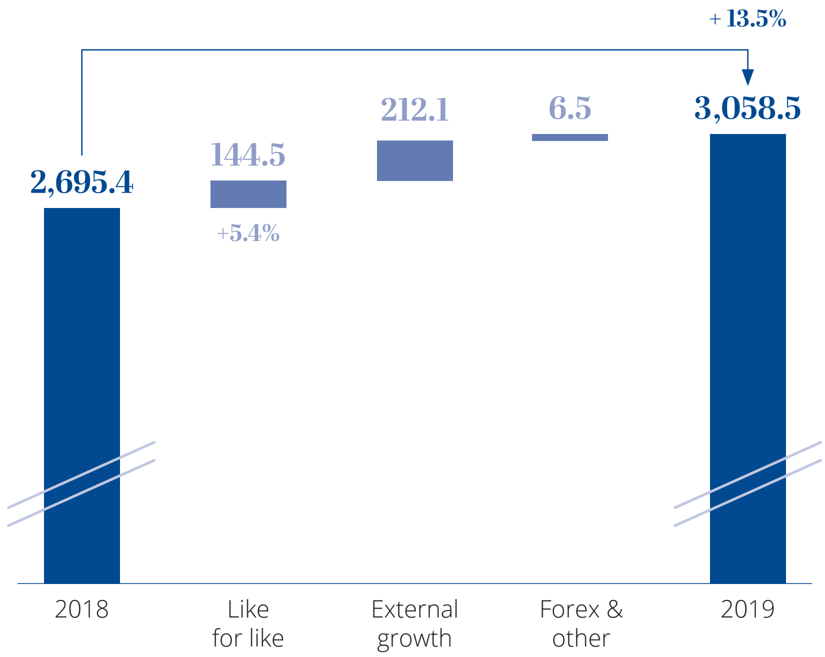
Key operational indicators

Turnover

The consolidated turnover amounted to €3,058.5M for the 2019 financial year, thus increasing by €363.1M (+13.5%) compared to 2018.

This increase corresponds to an organic growth of €144.5M (+5.4%), a change in the consolidation scope of €212.1M (+7.9%) resulting mainly from the full-year consolidation of Servest and a positive forex effect of €6.5M (+0.2%).

GROUP TURNOVER 'S GROWTH
In millions of euros



The organic revenue of the Group rose in all the geographical areas in which it operates. France & Benelux and the United Kingdom, with respectively €54.6M (+3.8%) and €62.1M (+12.2%), contributed significantly to this organic growth. Asia posted growth of €12.7M, Central and Eastern Europe €8.2M, Africa & Middle East €5.9M, and the United States €1M.

Altogether, Group sales increased in all regions except Central and Eastern Europe due to non-strategic divestments and a negative forex impact of €11 million.

Among the 2019 highlights, we must mention the sale of the Landscaping activity in France, for €34M, enterprise value, in October 2019. This sale was part of the Group's deleveraging program.

We had a remarkable year with 13.5% revenue growth supported by the integration of Servest.

EBITDA

As last year, operating expenses, in 2019, corresponded to approximately 93% of the revenue, allowing **the Group to generate a recurring EBITDA amounting to €206.9M**, increasing by €22.1M (+12%) compared to 2018.

The analysis per geographical area is contrasted.

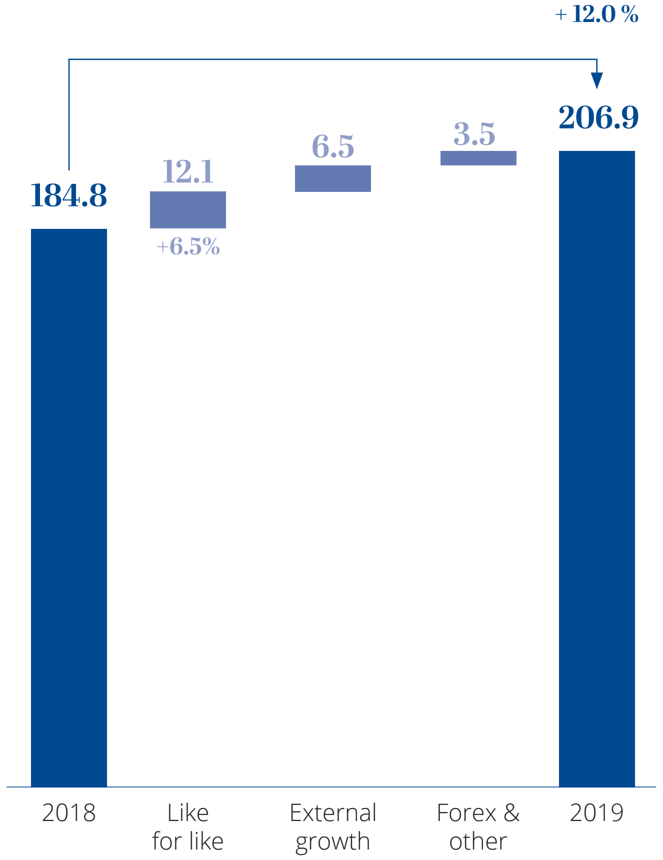
The Group benefited from the good performance of the following regions: France & Benelux (+9% organic and +7.9% overall), the United Kingdom & Ireland (+25.4% organic and +64.6% overall due to the full-year integration of Servest), Central and Eastern Europe (+9.3% organic and +34.6% overall) and finally Africa & Middle East, whose EBITDA rose from €1.66M in 2018 to €3.63M in 2019.

However, the USA and Asia recorded a decrease in their EBITDA, which respectively fell by €6.4M and €3.3M compared to 2018.

The Group's operating margin, excluding holding companies, remained stable from year to year at 7.6%, while the global margin, including the cost of holding companies, was 6.7%, down slightly by -0.2% compared to 2018.

An analysis of the margins generated in 2019 by Regions shows the positive evolution of France & Benelux (+0.3%), the United Kingdom & Ireland (+0.3%), Central and Eastern Europe (+1.8%) and Africa & Middle East (+3.9%). Margins in the USA and Asia contracted, however, to 0.9% (–3.2% compared to 2018) and 8.6% (–2.6% compared to 2018) respectively.

CHANGE IN ANNUAL RECURRING EBITDA
In millions of euros



We're counting on the persistence of our sales teams and the effect of organisational reforms to continue to improve our margins and profitability.

Cash flows 2019

Group cash flow improved due to measures to optimise Working Capital Requirements (WCR) and rationalise investments in production equipment.

The reduction in working capital requirements reflects the result of measures taken in operations and savings achieved in support functions.

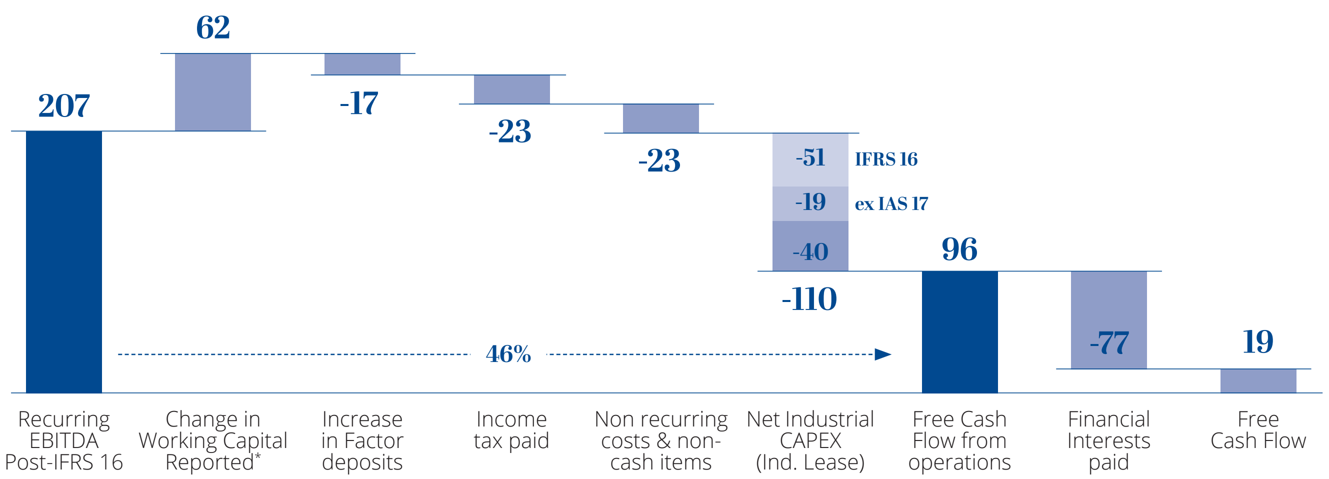
Operational measures have focused on:

— Vigilance on customer credit policy and negotiated cash collection deadlines.

— Acceleration of receivables collection by proactive management of collection services to reduce Days Sales Outstanding (DSO) and the setting up of a non-recourse factoring process of the trade receivables portfolio.

— Strengthening collaboration between the Group Procurement Department and subsidiaries to optimise supply management.

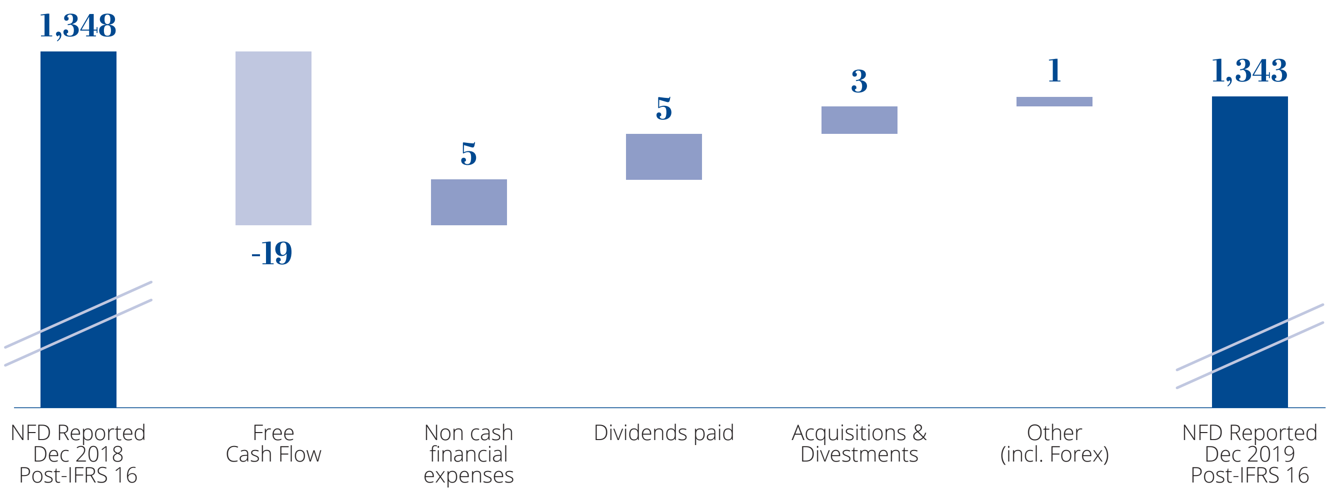
The implementation of a policy to rationalise the use of operating equipment should optimise the annual cost of capital expenditure.



*Before neutralisation of deconsolidated factoring change

Debt

Net financial debt as of 31 December 2019 was €1,343M, decreasing by €5M over the year 2019.
This variation corresponds to:
— Sources of funds generated by operations,
— Interest provisioned for bond debt,
— Dividends paid
— Net proceeds from investments / disposals, including the disposal of the Landscaping activity for €34M (enterprise value).



Management's discussion and analysis of financial condition and results of operations

The following discussion and analysis summarises the significant factors affecting our results of operations and financial condition during the year ended December 31, 2019. The historical information discussed below for the Group is as of and for the year ended December 31, 2019 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 January 1, 2019 to December 31, 2019 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 December 31, 2019, we operated in 35 countries, including France and the United Kingdom, our principal markets, serving a diverse range of more than 32,000 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.
We have experienced growth in recent years 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 Véolia Propreté Nettoyage et Multiservices ("VPNM"), a cleaning services provider with a significant portfolio of large corporate customers, and Eurogem, a multi-service provider of outsourced building services. Our expansion in France since 2014 included the acquisition of various entities specializing in cleaning services, including Vitsolnet, HEI, Net'Express, Facilicom Services Group France 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 specializing 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 35 countries (including France). Since 2015, we acquired companies in the United States, Central and Eastern Europe and Turkey and expanded our operations into Southeast Asia and North and West Africa. In particular, in January 2016, we acquired Temco Service Industries, Inc. ("Temco"), a company providing cleaning and facility management services to clients in Europe and the United States, in order both to expand our European presence and to gain a foothold in the US market. In 2017, we further expanded our presence in the United States with the acquisition of Aetna Building Maintenance Inc. ("Aetna") and Centaur, two companies offering cleaning services, and Suburban Integrated Facilities ("Suburban"), a company specializing in cleaning and technical maintenance services. We also acquired Cleaning Express Pte. Ltd. ("Cleaning Express") and a 26% stake in Ramky International (Singapore) Pte. Ltd. ("Ramky") in 2017, two companies providing cleaning services in Singapore. Our international expansion has continued in 2018, through the acquisitions of entities in Belgium and Thailand.
On May 9, 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 2019, a new management team was appointed to oversee the further development of the Group. The Group's Management Board is now comprised of Franck Julien, as Chief Executive Officer, Jean-Jacques Gauthier, as Deputy Chief Executive Officer & Group Chief Financial Officer and Rob Legge, as Deputy Chief Executive Officer & Group Chief Operating Officer. In addition, we reinforced corporate governance standards, notably through the appointment of three independent directors and the creation of a Strategy and Investment committee, chaired by Henri Proglio, former Chairman and Chief Executive Officer of EDF, and a newly audit and compliance committee chaired by Hélène Ploix, former Executive Director of the International Monetary Fund (IMF) and The World Bank.

In this context, the Group is focusing on the following three strategic pillars:
— driving sustainable and profitable growth;
— continuously improving operational performance;
— deleveraging.

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 September 2019.

In 2019, we had total revenue of €3,058.5 million, EBITDA (see Section 2 "Financial information––Management financial measures") of €203.4 million, and we recorded a net loss before share of loss of equity-accounted companies of €(22.1) million.

2. Financial information

Management financial measures

We define 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 amortisation, net; provisions and impairment losses, net; and non-recurring operating income and expenses.
EBITDA corresponds to the line item "Operating income before depreciation, amortisation, provisions and impairment losses" in our 2019 audited consolidated financial statements. 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 profit for the period 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 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. EBITDA has important limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results of operations. Because not all companies calculate EBITDA identically, this presentation of EBITDA may not be comparable to the similarly titled measure of other companies.

3. Overview of reporting segments

Changes in reporting segment

Following the acquisition of Servest in 2018, all its subsidiaries had been included in our UK segment. Because certain subsidiaries (Aktrion Automotive) conduct their activity principally outside UK, following changes in internal management reporting, we reclassified these non-UK entities of Aktrion in 2019 and now account for them in our International segment. In addition, certain holding company costs within our International's segment which were previously allocated to the International reporting segment are now included within the residual reporting segment "Other", as is the case for our France segment

To allow comparability, financial information for 2018 was restated to reflect these changes.

We have the three following reporting segments:
— France: This segment includes all the companies in France, either in Cleaning activity or Facility Management activity.
— UK: This segment includes all the companies in UK, mainly Servest UK group acquired in May 2018 and its consolidated subsidiaries in UK.
— International: This segment comprises all companies outside France and UK.
In addition, in our audited 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.

The revenue for each of our reporting segments for 2019 was as follows:
— France: In 2019, our France segment generated €1,363.1 million, or 44.6%, of our revenue (€1,294.8 million, or 48.0%, in 2018). The two business lines that generate our revenue in France are cleaning and facility management:
• Cleaning
We offer cleaning and associated services, which include periodic cleaning of offices and retail outlets and specialized cleaning services in the health, food-processing, transportation, manufacturing and nuclear industries in France. In 2019, our cleaning business in France generated €937.2 million of revenue (€876.0 million in 2018).
• Facility Management
Our facility management businesses include multi-technical and multi-service management, safety and security, reception services, painting and landscaping services. We also offer bundled facility management services, while reception services are provided through our cooperation with City One. In 2019, our facility management business generated €424.0 million of revenue (€413.6 million in 2018).
— UK: In 2019, our UK segment (including Servest from May 2018) generated €796.0 million, or 26.0%, of our revenue. Servest UK is a provider of facilities management services based in the United Kingdom operating the following main divisions: cleaning, catering, security, technical services and projects. In addition, Servest UK has two other operating divisions, pest control and compliance, which are less significant in terms of revenue. The activity of Aktrion in the UK, a company which was acquired in February 2018 and which provides bespoke manufacturing support services, is integrated within this segment. Non-UK subsidiaries of Aktrion are now included within the International segment as discussed above.
— International: In 2019, our International segment generated €902.7 million, or 29.5%, of our revenue (€896.3 million, or 33.2%, in 2018). As at December 31, 2019, we operated in 33 countries outside of France and the United Kingdom, in Europe, United States, Southeast Asia, Africa, providing cleaning, multi-technical, security and bundled facility management services.
Other: In addition, the activities of our holding companies and the elimination of transactions between reporting segments amounted to net losses of €3.3 million in 2019 (net losses of €3.7 million in 2018).

4. Acquisitions and divestments

Overview

From 2009 to 2018, external growth has contributed significantly to the overall growth of our business, notably with expansion of our business into the United Kingdom, the United States, West and North Africa and Southeast Asia. As part of the strategy developed in 2019, the Group refocused on the Group's core businesses.

Acquisitions

In the twelve months ended December 31, 2019, there were no significant acquisitions of companies.

Disposals/deconsolidation

France
— Landscaping disposal
Atalian completed the disposal of the Landscaping business line in October 2019. Landscaping generated revenue of €70 million in France in 2018, representing 2.6% of the Group's revenue, and contributed €66 million euros to our revenue in 2019 income statement.
The sale proceeds amounted to €34 million and we recorded net gains on disposal (difference between the sale proceeds and the carrying amount) of €7.9 million under "Other non-current operating income and expenses" The cash proceeds (net of cash disposed of €0.4 million) amounted to €23 million and is recognised under "Proceeds of consolidated company (net of cash sold)" in the cash flow statement.
— Loss of control of Ramky Cleantech Singapore
The decision to terminate the shareholders' agreement relating to Ramky Cleantech Singapore in the third quarter of 2019 led to a loss of control. For the nine months ended at September 30, 2019, Ramky Cleantech Singapore contributed revenue of €33.9 million and EBITDA of €3.7 million. Since its loss of control over Ramky Cleantech Singapore, the group recorded its holding using the equity consolidation method in the line item "Share of net income (loss) of equity affiliates". The P&L impact related to the deconsolidation of Ramky Cleantech Singapore amounted to a loss of €5.0 million and is reported under "Other non-current operating income & expenses".

In this management's discussion and analysis of financial condition and results of operations, we present certain "like-for-like" information, including to reflect divestments and acquisitions occurring in 2019 and 2018 and currency translation effects (with 2019 figures being converted at 2018 exchange rates in order to calculate the currency effects).

5. Results of Operations for Fiscal Year Ended December 31, 2018 and December 31, 2019

Results of operations

in millions of euros

	For the twelve months ended December 31, 2018	For the twelve months ended December 31, 2019
REVENUE	2,695.4	3,058.5
Raw materials & consumables used	(618.3)	(715.8)
External expenses	(127.0)	(127.1)
Staff costs	(1,749.9)	(1,984.6)
Taxes (other than on income)	(32.5)	(30.1)
Other recurring operating income and expenses	17.1	2.5
EBITDA	184.8	203.4
Depreciation and amortisation, net	(92.6)	(106.3)
Provision and impairment loss, net	(15.3)	(9.3)
CURRENT OPERATING PROFIT	76.9	87.8
Other operating income & expenses	(36.9)	(10.1)
OPERATING PROFIT	40.0	77.7
Income from cash and cash equivalents	1.5	1.2
Financial debt cost	(66.7)	(83.1)
NET FINANCIAL DEBT COST	(65.2)	(81.9)
Other net financial expenses	(2.7)	(3.9)
NET FINANCIAL EXPENSES	(67.9)	(85.8)
Income tax expenses	(19.5)	(14.0)
NET PROFIT BEFORE SHARE OF LOSS OF EQUITY-ACCOUNTED COMPANIES	(47.4)	(22.1)
Share of net income (loss) of other equity-accounted entities	(13.1)	(106.1)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(60.5)	(128.2)
Net income (loss) from discontinued operations	–	(0.8)
NET INCOME FOR THE PERIOD	(60.5)	(129.0)

in millions of euros

	31/12/2019 Reported	*IFRS 16 impact*	31/12/2019 Excluding IFRS 16	31/12/2018 Excluding IFRS 16
EBITDA	203.4	*38.9*	164.5	149.5
Depreciation and amortisation	(106.3)	*(34.2)*	(72.1)	(60.4)
RECURRING OPERATING PROFIT	87.8	*4.7*	83.2	73.9
OPERATING PROFIT	77.7	*4.7*	73.1	37.0
Net financial expense	(85.8)	*(6.3)*	(79.6)	(62.9)
Income tax expense	(14.0)	-	(14.0)	(20.0)
PROFIT FOR THE PERIOD	(129.0)	*(1.6)*	(127.4)	(59.0)

Revenue

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

in millions of euros

	For the twelve months ended December 31, 2018	For the twelve months ended December 31, 2019
France	1,294.8	1,363.1
UK	508.0	796.0
International	896.3	902.7
Other [1]	(3.7)	(3.3)
TOTAL REVENUE	2,695.4	3,058.5

[1] Elimination of holding company activities and intragroup transactions, See Section 3: "Overview of reporting segments" for further details.

Revenue increased by €363.1 million, or 13.5%, to €3,058.5 million in 2019 as compared to €2,695.4 million in 2018. The increase was mainly attributable to the external gross impact of €221.4 million related to the acquisition of Servest UK in May 2018, as well as organic growth in France (+€60.8 million or +4.7%) and in the UK (+€62.1 million or +12.2%).

- **Revenue by segment**

— France. France segment revenue increased by €68.3 million, or 5.3%, to €1,363.1 million for the twelve months ended December 31, 2019 as compared to €1,294.8 million for the twelve months ended December 31, 2018. This increase was primarily attributable to organic growth, which contributed €60.8 million, mainly in our cleaning business, slightly offset by the negative of the disposal of our Landscaping business following its disposal in October 2019.

• Cleaning:
Revenue increased by €61.1 million, or 7.0%, to €937.2 million in 2019 as compared to €876.0 million in 2018. This increase was mainly due to organic growth of €45.3 million, principally due to the effect of new contracts started in 2019, as well as external growth of €15.9 million due to the full-year impact of the Limpa and BBA acquisitions in 2018.

• Facility Management:
Revenue increased by €10.4 million, or 2.5%, to €424.0 million in 2019 as compared to €413.6 million in 2018. This increase was mainly due to (i) organic growth of €15.5 million due to new contracts started in 2019, notably in Security, thanks to new contracts in airports business, and Landscaping (during the latest 10 months of consolidation), (ii) the full year impact of the Cadiou acquisition in 2018, (iii) partly offset by a negative impact of the Landscaping disposal, for €12.5 million.

— UK. The UK segment generated €288.0 million of additional revenue, to €796.0 million in 2019, as compared to €508.0 million in 2018, an increase of 56.7%. During the twelve months ended December 31, 2019, Servest experienced (i) strong organic growth of approximately 12.2%, principally due to new customer contracts, notably in Cleaning and Technical Services, and (ii) significant external growth, led by the full year impact of Servest Group acquisition for €221.4 million.

— International. International segment revenue increased by €6.4 million, or 0.7 %, to €902.7 million in 2019, as compared to €896.3 million in 2018.
This slight increase is mainly due to organic growth in Asia, Central Europe, and Africa, partly offset by the impact of Ramky Cleantech deconsolidation in the fourth quarter of 2019 which had a negative impact of €11.3 million. In addition, two entities in Poland were accounted as held for sale following the decision to dispose of them, which generated a negative impact of €12.5 million.

— Other. In addition, the activities of our holding companies and the elimination of transactions between reporting segments amounted to a loss of €3.3 million in 2019.

Raw materials & consumables used

Raw materials & consumables used increased by €97.5 million, or 15.8%, from €618.3 million in 2018 to €715.8 million in 2019, principally reflecting the increase in our activity during the period, especially in the UK segment due to the full year impact of the Servest UK acquisition. As a percentage of revenue, raw materials & consumables used represented 23.4% of our revenue in 2019, as compared to 22.9% of revenue in 2018. This was mainly due to the full-year impact of Servest UK, as the company has higher purchases consumed as a percentage of revenue than the rest of the Group, amounting to 30.0% in 2019, since Servest UK has a higher proportion of technical services.
When excluding the UK segment, Raw materials & consumables used would have represented 21.2% of consolidated revenue (20.7% in 2018).

External expenses

As reported, external expenses remained stable in 2019 at €127.1 million in 2019, representing 4.2 % of our revenue (as compared to 4.7% in 2018), principally reflecting (i) the full year impact of the Servest UK acquisition, (ii) and the organic growth of our activity, offset by lower costs related to temporary workers.
Excluding the impact of IFRS 16, external expenses slightly increased by €2.8 million, or 1.7%, from €162.3 million in 2018 to €165.1 million in 2019, representing 5.4% of our revenue (as compared to 6.0% in 2018).

Staff costs

Staff costs increased by €234.7 million, or 13.4 %, from €1,749.9 million in 2018 to €1,984.6 million in 2019. The increase in personnel costs was principally attributable to the full-year impact of the Servest UK acquisition, which contributed to an increase in personnel costs of €172.0 million and the increase of Cleaning Services in France of €43.2 million consistent with revenue growth. As a percentage of revenue, payroll remained stable at 64.9% in 2019, despite the higher contribution of the cleaning activity with relatively higher level of staff costs, thanks to (i) activity growth through profitable new contracts in this business, as well as (ii) the positive contribution of the full year consolidation of Servest UK as the company has relatively a lower level of personnel costs in its cost structure (approximately 59% as a percentage of revenue in 2019).

Taxes (other than on income)

Taxes other than on income decreased by €2.4 million, or 7.5%, from €32.5 million in 2018 to €30.1 million in 2019. As a percentage of revenue, taxes other than on income decreased to 1.0% in 2019 as compared to 1.2% in 2018. This decrease was mainly due to lower level of other taxes in France, as well as lower ratio of taxes other than income as a percentage of payroll costs of Servest UK, as compared to our other subsidiaries in France.

Other operating income and expenses

Other operating income decreased by €14.7 million, or 85.7%, from a gain of €17.1 million in 2018 to a gain of €2.5 million in 2019. The decrease was mainly a favourable base effect, attributable to the high level in 2018 following the acquisition of Servest that led to an increase in inventory.

EBITDA

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

in millions of euros

	For the twelve months ended December 31, 2018	For the twelve months ended December 31, 2019
France	121.7	133.0
UK	30.7	50.6
International	63.9	55.0
Other (1)	(31.5)	(35.2)
TOTAL REVENUE	**184.8**	**203.4**

The table below presents the impact of IFRS 16 on EBITDA by segment:

in millions of euros

	2019 Reported EBITDA	*IFRS 16 impact*	2019 EBITDA Excluding IFRS 16
France	133.0	*16.3*	116.7
UK	50.6	*3.2*	47.4
International	55.0	*11.7*	43.3
Other (1)	(35.2)	*7.6*	(42.8)

(1) Elimination of holding company activities and intragroup transactions, see Section 3 "Overview of reporting segments" for further details.

in millions of euros

	2018 Reported EBITDA (2)	*IFRS 16 impact*	2018 EBITDA Excluding IFRS 16
France	121.7	*14.2*	107.5
UK	30.7	*1.5*	29.2
International	63.9	*13.3*	50.6
Other (1)	(31.5)	*6.2*	(37.7)

(1) Elimination of holding company activities and intragroup transactions, see Section 3 "Overview of reporting segments" for further details.
(2) See Section 3 - Changes in Reportable segments information

As reported, EBITDA increased by €18.6 million, or 10.1%, to €203.4 million in 2019, as compared to €184.8 million in 2018.
Excluding the impact of IFRS 16, EBITDA increased by €15.1 million, or 10.1%, to €164.5 million in 2019, as compared to €149.5 million in 2018. Our EBITDA margin decreased to 5.4% in 2019, as compared to 5.5% in 2018, mainly due to the dilutive effect of the Servest UK acquisition as the company has a lower EBITDA margin than the rest of the Group, as well as a decrease in EBITDA margin in our International segment.

- **EBITDA by segment, excluding the impact of IFRS 16**

— France. EBITDA for the France segment increased by €9.2 million, or 8.5%, to €116.7 million in 2019 as compared to €107.5 million in 2018. The EBITDA margin of the France segment increased to 8.6% in 2019, as compared to 8.3% in 2018. The EBITDA and EBITDA margin increases are primarily attributable to an increase in EBITDA in both the cleaning and security activities, despite the landscaping disposal effect.

• Cleaning
EBITDA increased by €8.6 million, or 10.6%, to €89.3 million in 2019 as compared to €80.7 million in 2018. The EBITDA margin of the cleaning business increased to 9.5% in 2019, as compared to 9.1% in 2018, principally due to higher-margin organic revenue growth of €8.4 million, following the reinforcement of the operational and commercial team.

• Facility Management
EBITDA increased by €0.6 million, or 2.2%, to €27.4 million in 2019 as compared to €26.8 million in 2018. The EBITDA margin of the facility management business increased to 6.5% in 2019, as compared to 6.3% in 2018. This increase primarily resulted from the improvement in the EBITDA margin of the Security activity, with higher-margin organic revenue. This increase was partly offset by the Landscaping activities disposal for €1.2 million.

— UK. EBITDA for the UK segment increased by €18.2 million, or 62.3% to €47.4 million in 2019, as compared to €29.2 million in 2018. This increase was mainly related to the full year impact of the Servest UK acquisition in May 2018, and (ii) organic growth in 2019 thanks to the strong performance of the cleaning division and the Catering division revenue plan initiated at the end of 2018 and leading to relatively higher-margin contracts.
As a result, as a percentage of sales, the EBITDA margin in the UK segment significantly improved at 6.0% for 2019 (5.7% for 2018).

— International. EBITDA for the International segment decreased by €7.3 million, or 14.3%, to €43.3 million in 2019, as compared to €50.6 million in 2018.
This decrease was mainly due to (i) the negative impact of contract losses by Temco in the U.S., as well as and costs related to the restructuring of the US organization to drive future growth, performance, and cash generation, (ii) negative forex effect in Turkey and CZ and disposal of Poland entities on Central Europe EBITDA despite organic growth in this area, (iii) the decrease of Asia EBITDA mainly due to operational losses in Singapore and the related deconsolidation of Ramky in Singapore in the fourth quarter of 2019 which had a €1.9 million impact. This decrease was partly offset by an improvement of EBITDA in Africa, notably driven by Morocco, and an improvement of EBITDA in Asia, when excluding Ramky's activity

As a result, as a percentage of sales, EBITDA margin decreased to 4.8% in 2019, as compared to 5.6% in 2018.

Depreciation and amortisation

As reported, depreciation and amortisation increased by €13.7 million, or 14.8%, from €92.6 million in 2018 to €106.3 million in 2019. This is mainly due to an increase in the total amount of tangible assets following the acquisition of Servest UK, which resulted in additional depreciation and amortisation of €12.9 million.
Excluding the impact of IFRS 16, depreciation and amortisation increased by €11.7 million, or 19.4%, from €60.4 million in 2018 to €72.1 million in 2019.
As a percentage of revenue, depreciation and amortisation increased from 2.2% in 2018 to 2.4% in 2019, as a result of the integration of Servest UK, which had a relatively higher level of depreciation and amortisation as a percentage of revenue due to its high share of Technical Services revenue, as well as additional amortizable customer relationships acquired in the context of acquisition.

Provisions and impairment losses, net

Provision and impairment losses decreased by €6.0 million, or 39.2%, from €15.3 million in 2018 to €9.3 million in 2019, explained by a base effect with higher level of provision in 2018.

Current operating profit

As reported, current operating profit increased by €10.9 million, or 14.2%, from €76.9 million in 2018 to €87.8 million in 2019, for the reasons explained above.
Excluding the impact of IFRS 16, current operating profit increased by €9.3 million, or 12.6%, from €73.8 million in 2018 to €83.1 million in 2019, for the reasons explained above.

Other operating income and expenses

For the twelve months ended December 31, 2019, these costs amounted to €10.1 million and principally included: (i) a one-off loss linked to the settlement of a pension fund claim in the US for €6.6 million, (ii) restructuring costs of €5.9 million, for some costs related to the relocation of the Group's US headquarters and the elimination of several field offices in the United States, and in France for the finalization the reorganization of the Group's management, as well as (iii) the negative effect of the deconsolidation of Ramky. Those charges were partly offset by the net gain on disposal of Landscaping business in September 2019.

Operating profit

As reported, operating profit increased by €37.8 million, or 94.5%, from €40 million in 2018 to €77.7 million in 2019, for the reasons explained above.
Excluding the impact of IFRS 16, operating profit increased by €36.2 million, or 97.9%, from €36.9 million in 2018 to €73.1 million in 2019, for the reasons explained above.

Net financial expenses

Net financial expenses increased by €17.9 million, or 26.4%, from €67.9 million in 2018 to €85.8 million in 2019.
Excluding the impact of IFRS 16, net financial expenses increased by €16.7 million, or 26.5%, from €62.9 million in 2018 to €79.6 million in 2019.
This increase was principally due to (i) additional interests for €14.7 million following the issuance of new bonds to finance the Servest UK acquisition in May 2018 (see Section 6: "Liquidity and Capital Resources" for further details).

Income tax expenses

Income tax expenses decreased by €5.5 million, or 28.0%, from €19.5 million in 2018 to €14.0 million in 2019. This decrease is mainly due to the activation of loss carry-overs in the UK for €8.8 million

Share of net income (loss) of other equity-accounted entities

Share of profit (loss) of other equity-accounted entities amounted to a loss of €106.1 million in year 2019, compared to a loss of €13.1 million in year 2018, that is primarily attributable to the impairment of our holding of Getronics shares. This participation in Getronics was accounted for 28.8% in May 2018 during the acquisition of Servest. In July 2018, the Group decided to participate in the capital increase of Bottega InvestCo SARL with an investment of €27.2 million to finance the acquisition by Getronics of Pomeroy Group Holdings Inc. The percentage ownership of the Group in this company changed from 28.3% as of December 31, 2018 to 27,18% thereafter. In 2019 Getronics was faced with a significant funding shortfall and a major deterioration of its operational results and business outlook. The Group decided to not participate in the funding of a restructuring plan of Getronics and finally decided to fully depreciate its share with a corresponding impact on its income statement of €70.8 million, in addition of the losses generated during the period for €35.0 million.

Net income for the period

Net loss for the period increased by €68.5 million from €(60.5) million in 2018 to €(129.0) million in 2019, for the reasons stated above.

6. 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, 2018	For the twelve months ended December 31, 2019
Net cash from (used in) operating activities	84.2	205.5
Excluding impact of off-balance sheet factoring of receivables	*45.1*	*120.2*
Net cash used in investing activities	(527.8)	(35.4)
Net cash used in financing activities	403.0	(184.2)
Exchange gains (losses) on cash and cash equivalents	0.6	(2.9)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(40.0)	(17.0)

Net cash from (used in) operating activities

in millions of euros

	For the twelve months ended December 31, 2018	For the twelve months ended December 31, 2019
Profit for continuing operations	(60.5)	(128.2)
Adjustment for and elimination of non-cash items	113.9	212.7
Elimination of net finance costs	65.2	82.0
Elimination of income tax expense	21.2	17.5
CASH GENERATED FROM OPERATIONS BEFORE FINANCIAL EXPENSES AND INCOME TAX	139.8	184.0
Decrease/(increase) in inventories	(12.6)	1.2
Decrease/(increase) in total receivables	(17.3)	119.8
Increase/(decrease) in payables	(2.4)	(58.7)
CHANGE IN WORKING CAPITAL	(32.3)	62.3
Change in working capital excluding impact of off-balance sheet factoring of receivables	*(71.4)*	*(22.9)*
Income tax paid	(23.3)	(23.1)
Increase in Factoring deposit	-	(17.0)
Cash from discontinued operations	-	(0.7)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	84.2	205.5
Net cash from (used in) operating activities excluding impact of off-balance sheet factoring of receivables	*45.1*	*120.2*

As reported, we experienced a cash inflow of €62.3 million in 2019, generated by an decrease in net working capital (as compared to an outflow of €32.3 million in 2018 generated by an increase in net working capital).

When neutralizing the effect of the factoring of receivables not recorded on our balance sheet, our net working capital increased by €22.9 million in 2019.

The improvement in working capital in France thanks to better cash management, despite our organic development, was offset by the combined effect of (i) additional operating working capital needs, mainly in UK, in a context of strong organic growth, and to a lesser extent in the US due a transition to a Shared Services Center model that led to slower collections in the second half of 2019, and (ii) an increase in social payables resulting from the organic growth of 2019.

It must be noted that the replacement of French tax credit CICE into a reduction of social tax contributions with the same rate implied limited timing impact on cash since the Group pre-financed its tax credit in 2018 and is now directly reducing the social charges payable.

In 2019, other cash flows from operating activities are composed by factoring deposits which generated a cash outflow for €17.0 million following the increase in use of deconsolidated factoring.

Net cash used in investing activities

in millions of euros

	For the twelve months ended December 31, 2018	For the twelve months ended December 31, 2019
Purchase of fixed assets [1]	(42.7)	(43.3)
Proceeds from sales of fixed assets	5.0	3.0
Purchase of consolidated companies less cash held by subsidiaries acquired	(493.0)	(9.8)
Disposal of consolidated companies (net of cash disposed)	-	14.2
Other cash flows from investing activities	2.9	(0.2)
Cash from discontinued operations used in investing activities	-	0.7
NET CASH USED IN INVESTING ACTIVITIES	(527.8)	(35.4)

(1) Including change in net payables due on fixed assets.

Net cash used in investing activities decreased from €527.8 million in 2018 to €35.4 million in 2019.

This decrease was mainly due to the acquisition of Servest UK and to a lesser extent the acquisitions in France of Limpa and BBA for €492.9 million in 2018. We made no material acquisitions in 2019.

In 2019, capex remained relatively stable at €43.3 million (1.9% of our consolidated revenue in 2019). These Capex are mainly generated in France and in UK, for the purchases of uniforms and installation of technical equipment in the ordinary course of our business.

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, 2018	For the twelve months ended December 31, 2019
Proceeds from new borrowings	674.9	38.9
Repayments of borrowings	(226.2)	(142.1)
Finance costs, net [1]	(63.0)	(80.2)
Dividends	(17.8)	(5.1)
Operations in share capital	37.0	0.0
Other	(1.9)	4.2
Cash from discontinued operations generated by financing activities	-	0.1
NET CASH USED IN FINANCING ACTIVITIES	403.0	(184.2)

(1) Amount net of capitalized interests and other non-cash interest expenses

Net cash used in financing activities amounted to €184.2 million in 2019. Our financing activities in 2019 consisted primarily of:

- Proceeds of new borrowings of €38.9 million, of which €24.0 million of proceeds from Revolving credit facility line and €11.1 million of proceeds from factoring loans (portion for which receivable are no derecognised);
- Repayment of borrowings for €142.1 million, mainly related to payment of lease portion used during the period (€64.5 million) (IFRS 16), and debts from factoring (portion for which receivable are no derecognised);
- €80.2 million of net interest paid on ongoing borrowings;
- Dividends paid to shareholders of the parent company amounted to €5.1 million.

Net cash generated in financing activities amounted to €403.0 million in 2018. Our financing activities in 2018 consisted primarily of:

- €674.9 million of proceeds from new borrowings, notably the issuance of €350 million aggregate principal amount of Senior Notes due 2025 and £225 million aggregate principal amount of Senior Notes due 2025, as well as proceeds from factoring loans in an aggregate principal amount of €89.3 million and drawings under our revolving credit facilities of €30.0 million in 2018;
- €226.2 million of (i) repayments of borrowings, primarily the repayment of Servest UK debt and (ii) repayments of the lease portion used during the period (€40.5 million); and
- €63.0 million of net interest paid on ongoing borrowings.

Net Debt

in millions of euros

	For the twelve months ended December 31, 2018	For the twelve months ended December 31, 2019
Cash and cash equivalents	105.7	89.7
Short-term bank loans and overdrafts	(1.3)	(2.5)
NET CASH AND CASH EQUIVALENTS	104.4	87.2
Non-current financial liabilities	(1,305.8)	(1,339.3)
Of which lease liabilities (1)	*(104.2)*	*(115.1)*
Current financial liabilities	(144.5)	(87.6)
GROSS DEBT	(1,450.3)	(1,426.9)
Financial instrument (liability)	(2.1)	(3.7)
DEBT	(1,452.4)	(1,430.6)
NET DEBT	(1,348.1)	(1,343.4)
Derecognised factoring contracts	*(53.7)*	*(139.0)*
NET DEBT AFTER ADDING BACK DERECOGNISED FACTORING CONTRACTS	(1,401.7)	(1,482.4)

(1) Solely including lease liabilities under IFRS 16 for the twelve months ended December 31, 2019.

As at December 31, 2019, we had net debt of €1,343.4 million as compared to €1,348.1 million as at December 31, 2018. We define net debt as the sum of non-current financial liabilities (including lease liabilities following the application of IFRS 16) and short-term bank loans and overdraft and current portion of other financial debt, plus the fair value of financial instruments, less cash and cash equivalents.

The decrease in net debt in 2019 was mainly attributable to higher recourse to deconsolidating factoring during 2019. Several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts. Some of these contracts involve the transfer of substantially all the risks and rewards of ownership of the receivables concerned to the factoring companies. Factored receivables for which the Group has not transferred substantially all the risks and rewards of ownership remain recorded on the balance sheet under "Trade receivables," with the recognition of a corresponding financial liability. We had Net Debt restated (including the liability relating to off-balance sheet factoring) of €1,482.4 million as of December 31, 2019, as compared to €1,401.7 million as of December 31, 2018. The increase of the net debt restated of the derecognised factoring contracts was mainly explained by the decrease in cash, as explained under the heading "Liquidity and Capital Resources, and negative forex impact. This increase was offset by the deconsolidation of the net debt of the Landscaping business following the disposal of this activity.

7. Off-Balance sheet Arrangements

As of December 31, 2019, our off-balance sheet arrangements, as described in Note 15 to the 2019 financial statements, primarily related to the guarantees of the 2024 and 2025 Notes and Revolving Credit Facility, and the collateral securing the Revolving Credit Facility.
The off-balance sheet arrangements also include contractual commitments received under our factoring facilities and Revolving Credit Facility.

8. Contractual Commitments

The following table sets forth the aggregate maturities of our financial debt as of December 31, 2019:

in millions of euros

	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	31/12/2019
Bonds*	0.6	604.0	613.3	1,217.9
Bank borrowings	56.2	5.0	-	61.2
Lease liabilities	-	115.1	-	115.1
Other borrowings and financial liabilities	0.3	-	-	0.3
Loans from subsidiaries and associates	-	1.9	-	1.9
Factoring loans	30.5	-	-	30.5
TOTAL INTEREST-BEARING BORROWINGS AT DEC. 31, 2019	**87.6**	**726.0**	**613.3**	**1,426.9**

** bonds net of amortisable issuance costs of €(27.5) million of which amortised €(5.1) million in 2020.*

9. Dividends

In respect of the fiscal year ended December 31, 2018, dividends paid in the 2019 fiscal year to shareholders of the parent company amounted €5.1 million.

10. Share capital and principal shareholders

At December 31, 2019, the Group's share capital was composed of 116 237 206 fully paid-up shares with a par value of €1 each.

The principal shareholder of the Group is Atalian Holding Development and Strategy ("AHDS) which owns approximately 97% of the Group and which is indirectly wholly-owned by Franck Julien.

11. Developments related to the outbreak of the Coronavirus

While in January and February of this year our business showed strong momentum consistent with 2019 trends, we expect the COVID-19 (Coronavirus) outbreak to have an impact on our business and financial results in the remainder of 2020.

As a result of the outbreak, since the second half of March, we have experienced significant shortfalls in revenue in France, the United Kingdom and to a lesser extent the United States. France, the United Kingdom and the United States are among the countries most adversely affected by the Coronavirus outbreak and represent our main markets outside Asia. While we have observed softness in certain parts of our Asian operations due in particular to border closures and travel restrictions, our operations in Asia have not been materially affected to date by the outbreak.

Since the beginning of the Coronavirus outbreak, we have established a management crisis committee that meets daily to monitor the actions resulting from this pandemic. We are complying with health and safety protocols established by the authorities and agencies of each country, and we have reinforced our internal regulations for personal hygiene and infection control. We have also taken a strong set of actions to mitigate the impact of the Coronavirus outbreak on our financial results. We are pro-actively reducing our cost base, particularly in the regions where we have experienced a marked shortfall in revenue, through the active management of our workforce, the review and if appropriate the renegotiation of our supplier arrangements, the rigorous management of our operating expenses and strong contract management. We also intend to make use wherever possible of any relevant facilities or arrangements provided by the various national authorities to assist companies through the crisis.

Through these measures, we anticipate being able to mitigate the impact of the outbreak on our financial results and in particular on our liquidity with no major shortfall. We have also taken and are continuing to take steps to manage our cash position and maintain our liquidity, particularly for the period covering May to July. In the eventuality of a worsening of the crisis, we are preparing any possible liquidity shortfall with the intention to fully cover it by accessing the French State guarantee scheme for Large Corporate. On this basis, we have the strong conviction that it is appropriate to prepare our financial statements under the going concern assumption. Finally, we actively monitor any new business opportunities that may arise for us from the current situation, particularly in our Cleaning activity.
While our current view is that a majority of the impact on demand for our services in the first half of 2020 demand will be recovered throughout the second half of the year, the impact on 2020 Financial Results will depend on the timing of the ramp up of the business post crisis.
We expect substantial recurring benefit on our business post crisis, following likely fundamental behaviour changes and increase of spending of our customers.

La Financière Atalian

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

AUDIT BUGEAUD
18, rue Spontini
75116 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

To the President of La Financière Atalian,

In our capacity as statutory auditors of La Financière Atalian, we hereby report to you on the audit of the accompanying consolidated financial statements of La Financière Atalian, for the year ended December 31, 2019.

These consolidated financial statements were approved by the President on March 31, 2020, on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Our role is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures, by audit sampling and other means of testing, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the assets, liabilities and financial position of the group as at December 31, 2019, and the results of its operations for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union.

We draw attention to Note "Significant events after 31 December 2019" to the consolidated financial statements that discloses the impact of Covid 19 pandemic on the Company's operations and its consequences on the going concern assumption. Our opinion is not modified in respect of this matter.

This report does not constitute the statutory auditors' report on the consolidated financial statements required by French law, that will be issued subsequently when the consolidated financial statements will be available in French and will include, in accordance with the requirements of Article L. 823-9 paragraph 2 of the French Commercial Code (Code de commerce), a justification of our assessments and the specific verification required by laws and regulations of the information relating to the Group given in the group's management report.

We will perform our procedures relating to subsequent events so that they cover the period from the date of the present report to the date of the statutory auditors' report on the consolidated financial statements required by French law.

Paris and Paris La Défense, April 1st, 2020

The Statutory Auditors

Audit BUGEAUD
Robert MIRRI

ERNST & YOUNG Audit
Christine Staub

CONSOLIDATED INCOME STATEMENT
AT DECEMBER 31, 2019

in millions of euros

	Note	Period ended December 31, 2019	Period ended December 31, 2018
REVENUE	10	3,058.5	2,695.4
Raw materials & consumables used		(715.8)	(618.3)
External expenses		(127.1)	(127.0)
Staff costs	11	(1,984.6)	(1,749.9)
Taxes (other than on income)		(30.1)	(32.5)
Other operating income		19.0	36.7
Other operating expenses		(16.6)	(19.6)
OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISION AND IMPAIRMENT LOSS	10/11	203.4	184.8
Depreciation and amortisation, net	11	(106.3)	(92.6)
Provision and impairment loss, net		(9.3)	(15.3)
CURRENT OPERATING PROFIT		87.8	76.9
Other operating income & expenses	11	(10.1)	(36.9)
OPERATING PROFIT		77.7	40.0
Financial debt cost	12.1	(83.1)	(66.7)
Income from cash and cash equivalents	12.1	1.2	1.5
NET FINANCIAL DEBT COST	12.1	(81.9)	(65.2)
Other net financial expenses	12.2	(3.9)	(2.7)
NET FINANCIAL EXPENSES	12	(85.8)	(67.9)
Income tax expenses	14	(14.0)	(19.5)
Share of net income (loss) of other equity-accounted entities	3.4	(106.1)	(13.1)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(128.2)	(60.5)
Net income (loss) from discontinued operations	2.1.7	(0.8)	–
NET INCOME FOR THE PERIOD		(129.0)	(60.5)
ATTRIBUTABLE TO OWNERS OF THE COMPANY		(131.0)	(65.1)
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		2.0	4.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AT DECEMBER 31, 2019

in millions of euros

	Period ended December 31, 2019	Period ended December 31, 2018
NET INCOME (LOSS) FOR THE PERIOD	(129.0)	(60.5)
OTHER ITEMS OF COMPREHENSIVE INCOME SUBSEQUENTLY RELEASED TO NET INCOME	19.3	(3.0)
Foreign exchange gains & losses	19.3	(3.0)
OTHER ITEMS OF COMPREHENSIVE INCOME NOT SUBSEQUENTLY RELEASED TO NET INCOME	(6.4)	(1.9)
Actuarial gains & losses on pension obligations	(8.5)	(1.9)
Income tax expenses on actuarial gains & losses	2.1	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	12.9	(4.9)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(116.1)	(65.4)
ATTRIBUTABLE TO OWNERS OF THE COMPANY	(118.1)	(70.0)
ATTRIBUTABLE TO NON-CONTROLLING INTEREST PARTIES	2.0	4.6

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of euros

ASSETS	Note	Period ended December 31, 2019	Period ended December 31, 2018
Goodwill	3.1	1,066.4	1,066.0
Intangible assets	3.2	81.3	85.7
Property, plant and equipment	3.3	189.7	190.3
Other non-current financial assets	3.5	41.9	25.2
Investments in associates	3.4	7.5	102.3
Deferred tax assets	3.6	74.2	62.0
NON-CURRENT ASSETS		**1,461.1**	**1,531.5**
Inventories	4.1	44.0	57.0
Prepayment to suppliers	4.2	7.0	5.6
Trade receivables	4.3	388.8	525.9
Current tax assets		12.1	8.2
Other receivables	4.3	248.9	278.1
Cash and cash equivalents	4.5	89.7	105.7
CURRENT ASSETS		**790.6**	**980.5**
Assets held for sale and discontinued operations	2.1.7	3.3	-
TOTAL ASSETS		**2,255.0**	**2,512.0**

in millions of euros

EQUITY AND LIABILITIES	Note	Period ended December 31, 2019	Period ended December 31, 2018
Equity			
- Share capital		116.2	116.2
- Share capital premium		33.5	33.5
- Accumulated deficits		(110.2)	(31.2)
- Translation reserves		2.4	(16.7)
- Net income for the period		(131.0)	(65.1)
Equity attributable to owners of the company		**(89.1)**	**36.7**
Non-controlling interests		19.9	46.3
TOTAL EQUITY	5	**(69.2)**	**83.0**
Non current financial liabilities	7	1,339.3	1,305.8
Pensions	6.1	23.3	15.6
Other non-current provisions	6.1	9.0	10.3
Deferred tax liabilities	3.6	11.7	12.9
NON-CURRENT LIABILITIES		**1,383.3**	**1,344.6**
Customers prepayment	9.1	3.9	6.1
Current portion of financial liabilities	7	87.6	144.5
Current tax liabilities	9.1	10.1	9.0
Trade payables	9.1	258.0	282.8
Current provisions	6.2	25.7	22.6
Liabilities related to payroll tax credit prefinancing	9.1	130.3	162.0
Other current liabilities	9.1	417.9	454.0
Bank overdrafts and other cash position items	9.2	2.5	1.3
Financial instruments	7.4	3.7	2.1
CURRENT LIABILITIES		**939.7**	**1,084.4**
Liabilities related to assets held for sale and discontinued operations	2.1.7	1.2	-
TOTAL EQUITY AND LIABILITIES		**2,255.0**	**2,512.0**

CONSOLIDATED CASH FLOW STATEMENT
AT DECEMBER 31, 2019

in millions of euros

		12-month period ended December 31, 2019	12-month period ended December 31, 2018
A - NET CASH FROM OPERATING ACTIVITIES			
Net loss from continuing activities		**(128.2)**	**(60.5)**
Elim. Share of net income (loss) of equity-accounted companies		106.1	13.1
Elim. Operating depreciations, Amortisation, provisions & impairment losses		105.4	96.6
Elim. Gains/ losses on disposal		1.2	4.2
Elim. Other non-cash items		-	-
Operating cash flow before changes in working capital		**84.5**	**53.4**
Elim. Net finance costs		82.0	65.2
Elim. Income tax expense		14.0	19.5
Elim. Net other financial expenses		3.5	1.7
Operating cash flow before changes in working capital, net financial debts and income tax expenses		**184.0**	**139.8**
Changes in operating working capital (including change in deconsolidated Factoring)		**62.3**	**(32.3)**
Increase in Factoring deposit		**(17.0)**	**-**
Income taxes paid		**(23.1)**	**(23.3)**
Net operating cash from discontinued operations		**(0.7)**	**-**
NET CASH FROM OPERATING ACTIVITIES	A	**205.5**	**84.2**
B - NET CASH USED IN INVESTING ACTIVITIES			
Purchases of intangible assets, property, plant & equipment		**(43.3)**	**(42.7)**
Proceeds on disposal of intangible assets, property, plant & equipment		**3.0**	**5.0**
Purchases of consolidated companies (net of cash acquired)		**(9.8)**	**(493.0)**
Sales of consolidated companies (net of cash sold)		**14.2**	**-**
Other cash flows from investing activities		**(0.2)**	**2.9**
Net investing cash from discontinued operations		**0.7**	**-**
NET CASH USED IN INVESTING ACTIVITIES	B	**(35.4)**	**(527.8)**
C - NET CASH USED IN FINANCING ACTIVITIES			
Increase in capital		**-**	**37.0**
Dividends paid during the year:		**(5.1)**	**(17.8)**
Increase in borrowings		38.9	674.9
Decrease in borrowings		(142.1)	(226.2)
Net financial interest paid		**(76.7)**	**(61.3)**
Other financial expenses (not related to net debt)		**(3.5)**	**(1.7)**
Other cash flows from financing activities		**4.2**	**(1.9)**
Net financing cash from discontinued operations		**0.1**	**-**
NET CASH USED IN FINANCING ACTIVITIES	C	**(184.2)**	**403.0**
IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS	D	**(2.9)**	**0.6**
CHANGES IN NET CASH AND CASH EQUIVALENTS (A + B + C + D)		**(17.0)**	**(40.0)**
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**104.3**	**144.3**
Net cash flows for the period		**(17.0)**	**(40.0)**
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**87.3**	**104.3**

STATEMENT OF CHANGES IN EQUITY
AT DECEMBER 31, 2019

in millions of euros

	Share capital and share premium	Reserves / Retained earnings	Consolidated net income	Foreign exchange reserves	EQUITY attributable to owners of the company	Non controlling interests	TOTAL EQUITY
AS OF DECEMBER 31, 2017	**112.7**	**(16.8)**	**11.2**	**(13.7)**	**93.4**	**50.0**	**143.4**
1st application IFRS 9	-	(1.3)	-	-	(1.3)	-	(1.3)
1st application IFRS 16	-	(0.9)	-	-	(0.9)	-	(0.9)
Net income	-	-	(65.1)	-	(65.1)	4.6	(60.5)
Income and expenses recognised directly in equity	-	(1.9)	-	(3.0)	(4.9)	-	(4.9)
TOTAL COMPREHENSIVE INCOME	**-**	**(1.9)**	**(65.1)**	**(3.0)**	**(70.0)**	**4.6**	**(65.4)**
Net operating capital	37.0	-	-	-	37.0	-	37.0
Appropriation of FY 2017	-	11.2	(11.2)	-	-	-	-
Dividends paid	-	(15.3)	-	-	(15.3)	(2.8)	(18.1)
Changes in consolidation scope and transactions with non-controlling interests	-	(6.2)	-	-	(6.2)	(5.5)	(11.7)
AS OF DECEMBER 31, 2018	**149.7**	**(31.2)**	**(65.1)**	**(16.7)**	**36.7**	**46.3**	**83.0**
Net income	-	-	(131.0)	-	(131.0)	2.0	(129.0)
Income and expenses recognised directly in equity	-	(6.4)	-	19.3	12.9	-	12.9
TOTAL COMPREHENSIVE INCOME	**-**	**(6.4)**	**(131.0)**	**19.3**	**(118.1)**	**2.0**	**(116.1)**
Net operating capital	-	-	-	-	-	-	-
Appropriation of FY 2018	-	(65.1)	65.1	-	-	-	-
Dividends paid	-	(5.1)	-	-	(5.1)	-	(5.1)
Changes in consolidation scope	-	(2.4)	-	(0.2)	(2.6)	(28.4)	(31.0)
AS OF DECEMBER 31, 2019	**149.7**	**(110.2)**	**(131.0)**	**2.4**	**(89.1)**	**19.9**	**(69.2)**

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.

The Group's parent entity FJ International Invest SA is the ultimate controlling entity, wholly owned by Mr. Franck Julien, whose registered office is located at 239 avenue Winston Churchill 1180 Bruxelles (Uccle) Belgique.

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 abroad. La Financière Atalian is owned, in majority, by an intermediate holding: Atalian Holding Development and Strategy (AHDS).

The consolidated financial statements are presented in million of euros unless otherwise specified.

At 31 December 2019, the Company's share capital was composed of 116 237 206 ordinary shares with a par value of €1 each. A breakdown of the Company's share capital is provided in Note 5 – "Equity".

This financial report has been approved by the Chairman on March 31st 2020 and will be submitted for approval at the subsequent annual general meeting.

SIGNIFICANT EVENTS DURING 2019 FINANCIAL YEAR

Disposal of the Landscaping business line

Atalian completed the disposal of the Landscaping business line in October 2019.
Landscaping generated revenue of 70 million euros in France in 2018, representing 2.6% of the Atalian group's revenue, and contributed to 66 million euros in the 2019 income statement for 10 months.
The Enterprise value amounted to 34 million euros and the gain on disposal (difference between the sale proceeds and the carrying amount) amounted to 7.9 million euros on a consolidated basis and is recognised in the income statement under "Other non-current operating income and expenses".
The cash proceeds (net of cash disposed of 0.4 million euros) amounted to 23 million euros and is recognised under "Proceeds of consolidated company (net of cash sold)" in the cash flow statement.

Loss of control of Ramky Cleantech Singapore

The decision to revoke the shareholders' agreement in Ramky Cleantech Singapore in Q3 2019 led to a loss of control. For the nine months ended at September 30, 2019, RAMKY Cleantech SG contributed to Revenue and EBITDA for 33.9 million euros and 3.7 million euros respectively. Since its loss of control over RAMKY Cleantech SG, the group recorded its contribution in "Share of net income (loss) of equity affiliates" to which RAMKY Cleantech SG contributed in 2019 for (0.2) million euros. The P&L impact related to the deconsolidation of Ramky Cleantech SG amounted to (5.0) million euros and is reported under "Other non-current operating income & expenses".

SIGNIFICANT EVENTS AFTER DECEMBER 31, 2019

Sanitary crisis COVID-19

While in January and February of this year our business showed strong momentum consistent with 2019 trends, we expect the COVID-19 (Coronavirus) outbreak to have an impact on our business and financial results in the remainder of 2020.
As a result of the outbreak, since the second half of March, we have experienced significant shortfalls in revenue in France, the United Kingdom and to a lesser extent the United States. France, the United Kingdom and the United States are among the countries most adversely affected by the Coronavirus outbreak and represent our main markets outside Asia. While we have observed softness in certain parts of our Asian operations due in particular to border closures and travel restrictions, our operations in Asia have not been materially affected to date by the outbreak.
Since the beginning of the Coronavirus outbreak, we have established a management crisis committee that meets daily to monitor the actions resulting from this pandemic. We are complying with health and safety protocols established by the authorities and agencies of each country, and we have reinforced our internal regulations for personal hygiene and infection control. We have also taken a strong set of actions to mitigate the impact of the Coronavirus outbreak on our financial results. We are proactively reducing our cost base, particularly in the regions where we have experienced a marked shortfall in revenue, through the active management of our workforce, the review and if appropriate the renegotiation of our supplier arrangements, the rigorous management of our operating expenses and strong contract management. We also intend to make use wherever possible of any relevant facilities or arrangements provided by the various national authorities to assist companies through the crisis.
Through these measures, we anticipate being able to mitigate the impact of the outbreak on our financial results and in particular on our liquidity with no major shortfall. We have also taken and are continuing to take steps to manage our cash position and maintain our liquidity, particularly for the period covering May to July. In the eventuality of a worsening of the crisis, we are preparing any possible liquidity shortfall with the intention to fully cover it by accessing the French State guarantee scheme for Large Corporate. On this basis, we have the strong conviction that it is appropriate to prepare our financial statements under the going concern assumption. Finally, we actively monitor any new business opportunities that may arise for us from the current situation, particularly in our Cleaning activity.
While our current view is that a majority of the impact on demand for our services in the first half of 2020 demand will be recovered throughout the second half of the year, the impact on 2020 Financial Results will depend on the timing of the ramp up of the business post crisis.
We expect substantial recurring benefit on our business post crisis, following likely fundamental behaviour changes and increase of spending of our customers.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (IFRS)

The principal accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended 31st December 2019 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 19 July 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:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

A) New mandatory standards and interpretations

From 1 January 2019, the Group has adopted standards and interpretations mandatorily applicable from 1 January 2019, which did not have any material impact on the Group's consolidated financial statements at 31 December 2019. These are mainly:

- Amendments to IFRS 9 "Prepayment Features with Negative Compensation";
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- IFRIC 23 "Uncertainty over Income Tax Treatments";
- Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures".

IFRS 16 has been early adopted by the Group starting from January 1, 2018.

B) Standards and interpretations published but not yet in force

The main standards, amendments to standards and interpretations that have been published but are not yet mandatory are:

- Amendments to IFRS 3: Business Combinations – January 1, 2020
- Amendments to IAS 1 and IAS 8: Changes in the Definition of "Material" – January 1, 2020

C) 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 and liabilities and income and expense items in the consolidated financial statements are as follows:

• Goodwill impairment testing

Goodwill is tested for impairment at least annually, at the same time each year, using the method described in Note 3.1 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 6).

• Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available to realise the related tax benefit, based on tax forecasts drawn up for each taxable entity or tax consolidation group (Refer to Note 3.6).

• 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 income statement.

• Use of provisions

When the risk materialises, or the cost is incurred, the provisions previously recognized are reversed and offset the incurred expense under operating profit.
Expenses offset by use of provisions for the year ended on 31st December 2019 are as follows (Refer to Note 6):

- External expenses: €0.0 million (€0.1 million as of December 31, 2018)
- Staff costs: €3.6 million (€7.7 million as of December 31, 2018)
- Other recurring operating expenses: €7.1 million (€2.7 million as of December 31, 2018)

2.1 CONSOLIDATION

2.1.1 Financial year-end

The Group's companies have been consolidated based on their financial statements for the twelve-month period ended 31st December 2019. However, companies acquired during the financial year have only been 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 31st December 2019 consisted of twelve months.

2.1.2 Consolidation methods and scope of consolidation

2.1.2.1 Subsidiaries

Subsidiaries are the companies over which La Financière Atalian has control, either directly or indirectly. Control is characterized 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 accompanying 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.
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.

2.1.2.2 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. Accounting policies of subsidiaries and associates have been changed where necessary to ensure consistency with the policies adopted by the Group. A list of the Group's associates is provided in Note 18.

2.1.2.3 Other investments

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

2.1.2.3 Changes in the scope of consolidation

	At 31 Dec. 2019	At 31 Dec. 2018
Fully consolidated companies	256	282
Companies accounted for by the equity method	8	7
	264	289

2.1.3 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, unless the rate concerned underwent major fluctuations during the period in which case transaction date exchange rates are used. All resulting exchange differences are recognised under “currency translation reserve” in other comprehensive income.

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 concerns subsidiaries in UK.

Main currencies as of December 31, 2019 and in average in FY 2019 are the followings :

in millions of euros	2019	
Exchange rates	Average rate	Closing rate
Pound sterling	0.8817	0.8508
US Dollar	1.1232	1.1234
EUROPE		
Czech Koruny	25.7759	25.4078
Croatin Kuna	7.4461	7.4395
Hungarian Forint	326.9042	330.5785
Polish Zloty	4.3147	4.2568
Russian Ruble	72.7114	69.9545
New turkish Lira	6.4149	6.6843
ASIA		
Singapore Dollar	1.5338	1.5111
Thai Baht	34.8784	33.4146
Indonesian Rupiah	15,873.0159	15,625.0000
Malaysian Ringgit	4.6584	4.5953
Philippine Peso	58.1937	56.8990
AFRICA & MIDDLE EAST		
Moroccan Dirham	10.8064	10.7464

2.1.4 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 at the closing rate. Any resulting exchange differences are recognised in the income statement.

2.1.5 Financial risks

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.

Atalian uses derivative instruments in order to mitigate its currency exposure (foreign currency forward contracts). At 31st December 2019, the following forward contracts were in place:

- Currency forward on the US dollar (USD 42,2 million)
- Currency forward on the Hungarian forint (HUF 184,1 million)
- Currency forward on the Polish zloty (PLN 25,0 million)
- Currency forward on the Moroccan dirham (MAD 6.0 million)
- Currency forward on the Turkish lira (TRY 9,4 million)
- Currency forward on the Croatian kuna (HRK 32,3 million)
- Currency forward on the Thai baht (THB 60,5 million)
- Currency forward on the Russian ruble (RUB 59,6 million)
- Currency forward on the Sterling pound (GBP 31,3 million)

Financial instruments are used purely for hedging purposes, are set up with leading French 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 concerned on the use of these instruments, the choice of counterparties, and more generally the management of exposure to currency risk.

As of 31 December 2019, hedge accounting was applied for these derivatives. All currencies hedging (except for GBP) qualify as fair value hedge, whose purpose is to eliminate the fair value risk of the current cash accounts in local currency. They are recognised at their market value in the consolidated statement of financial position (“financial instruments”).

The fair value changes of the derivatives are recognised in P&L under the line item “Other net financial expenses”.

GBP hedging linked to the UK entities qualifies as Net Investment Hedge (NIH). The market value is deferred in Other Comprehensive income statement. The amount was not significant in FY 2019.

The impact of derivative financial instruments on the financial statements is described in Note 8.1 “Movements in Net Debt.”

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

- **Currency risk**

In general, the Group is slightly exposed to foreign exchange risk on current commercial transactions. 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 35 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 aggregates. 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, sales and recurring operating profit before Amortisation, depreciation and provisions published at December 31, 2019 would have been lower by 80 and 5 million euros respectively.
- if Euro had strengthened by 10% against the dollar, sales and recurring operating profit before Amortisation, depreciation and provisions would have been lower by 21 and 0.2 million euros respectively.

- **Interest-rate risk**

The Group's interest-rate risk relates to variable-rate financial liabilities shown on the balance sheet. The Group’s principal debt is a fixed-rate bond debt.

- **Counterparty risk**

The Group takes great care in analysing 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 extremely 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 4 – “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.

In addition, the Group finances a portion of its working capital through a trade receivables sale programme comprising factoring agreements which at the year-end represented a maximum of €217.9 million worth of factored receivables.

Detailed information on the Group's credit facilities and factoring is provided in Note 7 – "Long- and short-term financial liabilities".

2.1.6 Related parties

The parties considered as related to the Group, as well as the material transactions carried out with these parties during FY 2019, are as follows:

- The members of the Group's governance bodies (executive committee and management board).
- The non-trading property companies that are managed by the Company's Chairman and which lease buildings to the Group. The rent paid under these leases amounted to €1.9 million in FY 2019.
- In addition, the security deposits paid to the non-trading property companies amounted to €2.0 million at the year-end 2019.
- €0.8 million in trademark fees and €8.2 million in (i) management fees were charged for top managers' compensation, as well as consulting and strategic services, by companies directly or indirectly held by Group's ultimate shareholder, including AHDS and FJ International Invest, the Group's controlling entity and its only shareholder (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, is the controlling shareholder and Chairman of City One. Revenue generated from City One amounted to €2.9 million in FY 2019, and external expenses with this supplier amounted to €26.1 million in FY 2019.
- The Goup has current cash account under the cash advance agreement with Atalian Holding Development & Strategy which is a component of cash and cash equivalents for €6.2 million (see Note 4.5).
- Associates, which are accounted for by the equity method (see Note 18).
- AHDS has signed cross puts and calls with certain minority shareholders of Atalian subsidiaries, some of which have presence clauses, thereby economically compensating certain employees of the Atalian group. Atalian does not bear any charge as it is not a party to these agreements from a legal standpoint.

2.1.7 Asset held for sales

In accordance with IFRS 5 "Non-current assets held for sale and discontinued operations", Non-current assets held for sale are presented separately in the statement of financial position as soon as the Group has decided to sell these assets and when the sale is considered to be highly probable. These assets are measured at the lower of the carrying amount and the fair value less costs to sell, and are therefore no longer subject to depreciation and amortisation. When the Group is committed to a sale plan involving loss of control of a subsidiary, all the assets and liabilities of this subsidiary shall be classified as held for sale.

As of December 31, 2019, assets and liabilities held for sales amount to €3.3 and €1.2 million respectively and are mainly related to two Poland entities Aspen and Vanguard.

2.2. 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.

NOTE 3
NON-CURRENT ASSETS

3.1 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 on best estimates 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 "External charges" 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. Positive goodwill is recognised in the balance sheet, under "Goodwill" and negative goodwill is recorded in the 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.

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

For the purpose of impairment testing, goodwill is allocated to each CGUs 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 cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of those generated by other assets of the entity.

The value in use of the CGU is determined using Discounted Cash Flows (D.C.F.). At December 31, 2019, 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 used at 31/12/2019 and 31/12/2018 are indicated in note 3.1.3.
- Cash flows projections were derived from the medium-term business plans drawn up by the management team of the CGU concerned and approved by the Group's governance bodies; the business plans of the France CGUs have incorporated the principle of partially pursuing the CICE tax credit. This principle is also used in the normative cash flow used for calculation of the terminal value.
- Terminal value is extrapolated by applying to normative cash flows for subsequent years a growth rate to perpetuity (see note 3.1.3 for the rates applies at 31/12/2019 and 31/12/2018). This growth rate reflects the expected long-term growth in the markets in which the Group's CGUs operate, as well as their competitive positioning in these markets.

Goodwill is tested at the level of groups of CGUs corresponding to the operating segments as below:

- A "France" CGU, comprising all of the companies located in France,
- A "UK" CGU, comprising all companies within Servest group which were acquired in 2018,
- An "International" CGU, comprising all companies outside France, excluding Servest companies.

Aktrion sub-group, acquired within Servest Group, has been operationally integrated into International CGU to reflect the internal management reporting and effective reorganization. Thus, the portion of goodwill that was affected to this activity has been transferred from UK CGU to International CGU. The tests performed at year-end 2019 did not require any additional impairment of goodwill, neither with this new allocation nor the former one.

3.1.1 Movements

in millions of euros

	Gross	Impaiment	Net
DECEMBER 31, 2017	615.2	(6.8)	608.4
Goodwill finalisation	(7.8)	-	(7.8)
Impact of changes in Group structure, exchange rates & other	463.0	2.4	465.4
Impairment	-	-	-
DECEMBER 31, 2018	1,070.4	(4.4)	1,066.0
Goodwill finalisation	10.9	-	10.9
Impact of changes in Group structure, exchange rates & other	(10.6)	0.1	(10.5)
Impairment	-	-	-
DECEMBER 31, 2019	1,070.7	(4.3)	1,066.4

3.1.2 Breakdown of goodwill by CGU

in millions of euros

	31-Dec-19	31-Dec-18
France	443.5	454.4
UK	424.4	407.9
International	198.5	203.7
TOTAL	1,066.4	1,066.0

3.1.3 CGU impairment test

The assumptions used for determining the recoverable amount of the CGUs were as follows:

in millions of euros

	31-Dec-19	31-Dec-18
FRANCE CGU		
Capital employed	€377M	€403M
Cash flow projections	4-year business plan + annual rate of growth	4-year business plan + annual rate of growth
Discount rate	8.6%	9.0%
Long-term growth rate	2.0%	2.0%
UK CGU		
Capital employed	€587M	€532M
Cash flow projections	4-year business plan + annual rate of growth	4-year business plan + annual rate of growth
Discount rate	9.2%	8.5%
Long-term growth rate	2.0%	2.0%
INTERNATIONAL CGU		
Capital employed	€340M	€287M
Cash flow projections	4-year business plan + annual rate of growth	4-year business plan + annual rate of growth
Discount rate	10.0%	11.0%
Long-term growth rate	2.0%	2.0%

No impairment losses were recorded at 31 December 2019, as the recoverable amount of each CGU exceeded the carrying amount of their capital employed.
Consequently, with 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, but in each case would remain higher than the carrying amount of their capital employed at 31 December 2019.

in millions of euros

SENSITIVITY AS OF DECEMBER 31, 2019	WACC	Long-term growth
	IMPACT OF +0.5	IMPACT OF -0.5
France	(43.4)	(34.7)
UK	(30.2)	(21.4)
International	(12.4)	(3.6)

The group is exposed to the economic developments in the United Kingdom and to the uncertainties related to Brexit through UK Operations, which contributed to the Group's sales and current operating income before Amortisation, impairment and provisions by €796.0 million and €50.6 million for 2019. Since UK activities are carried out within the United Kingdom, the Group considers that a possible absence of a commercial and / or customs agreement between the United Kingdom and the Union would not have a significant direct impact on the Group's operations in the UK.

For this reason, the value test of the UK CGU did not give rise to a complementary sensitivity test.

The assumptions used for determining the recoverable amount of the CGUs does not take into account the effect of the COVID-19 virus, since It is too early at this stage to assess and quantify the financial impact of this worldwide sanitary crisis (see the commentary under post-closing events).

3.2 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.

Intangible assets with finite useful lives (customer relationships, software, licences, capitalised IT development costs, etc.) consists mainly in acquired intangible in the context of the prior periods business combinations and are amortised on a straight-line basis over their estimated useful lives as follows:
- Cleaning customer relationship of Servest: 11 years
- Customer relationship of TEMCO US: 10 years
- Catering and Security customer relationship of Servest: 9 years
- Technical services customer relationship of Servest: 8 years
- AKTRION customer relationship: 7 years

Assets that have indefinite useful lives are not amortised but, as required under IAS 36, are tested for impairment at least once a year at a date close to the year-end or whenever there is an indication that they may be impaired.

in millions of euros

GROSS	Software, licences, patents and similar rights	Other intangible assets	TOTAL
DECEMBER 31, 2017	33.8	18.8	52.6
Currency Translation differences	(0.1)	(0.8)	(0.9)
Inter-item transfers	2.3	(3.4)	(1.1)
Changes in Group structure	2.0	74.3	76.3
Acquisitions	5.4	0.3	5.7
Disposals, reductions and others	(0.2)	(0.3)	(0.5)
DECEMBER 31, 2018	43.2	88.9	132.1
Currency Translation differences	0.2	3.8	4.0
Inter-item transfers	0.1	0.4	0.5
Changes in Group structure	(0.1)	(2.7)	(2.8)
Acquisitions	4.1	1.9	6.0
Disposals, reductions and others	-	(0.9)	(0.9)
DECEMBER 31, 2019	47.5	91.4	138.9

in millions of euros

AMORTISATION AND IMPAIRMENT	Software, licences, patents and similar rights	Other intangible assets	TOTAL
DECEMBER 31, 2017	(24.8)	(6.5)	(31.3)
Currency Translation differences	0.1	-	0.1
Changes in Group structure	(0.6)	(3.5)	(4.1)
Disposals, reductions and others	0.1	0.3	0.4
Depreciation expense	(4.5)	(7.0)	(11.5)
DECEMBER 31, 2018	(29.7)	(16.7)	(46.4)
Currency Translation differences	(0.1)	(0.8)	(0.9)
Inter-item transfers	-	0.2	0.2
Changes in Group structure	0.1	2.7	2.8
Disposals, reductions and others	-	0.9	0.9
Depreciation expense	(4.9)	(9.3)	(14.2)
DECEMBER 31, 2019	(34.6)	(23.0)	(57.6)

in millions of euros

NET	Software, licences, patents and similar rights	Other intangible assets	TOTAL
DECEMBER 31, 2018	13.5	72.2	85.7
DECEMBER 31, 2019	12.9	68.4	81.3

3.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at cost less any accumulated depreciation and impairment losses.

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 €108.7 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.

in millions of euros

GROSS	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
DECEMBER 31, 2017	23.4	173.5	43.7	71.3	1.2	313.1
Of which finance leases & long-term leases	-	*37.9*	*8.5*	-	-	*46.4*
Application of IFRS 16	40.9	3.6	24.7	-	-	69.2
Currency Translation differences	(0.1)	(0.6)	(0.4)	(0.7)	-	(1.8)
Inter-item transfers and other	15.3	(24.8)	(12.5)	(4.8)	(0.2)	(27.0)
Changes in Group structure	7.4	37.8	15.4	30.7	-	91.3
Investments	12.2	26.9	27.5	17.0	0.7	84.3
Disposals, reductions and others	(24.9)	(25.2)	(9.9)	(5.1)	(0.1)	(65.2)
DECEMBER 31, 2018	74.2	191.2	88.5	108.4	1.6	463.9
Currency Translation differences	0.8	2.3	1.3	1.5	-	5.9
Inter-item transfers and other	(0.3)	(2.4)	(0.2)	0.9	(1.0)	(3.0)
Changes in Group structure	(6.6)	(14.5)	(10.4)	(3.3)	-	(34.8)
Investments	42.1	31.5	31.9	17.3	1.1	123.9
Disposals, reductions and others	(17.4)	(20.4)	(27.1)	(21.8)	-	(86.7)
DECEMBER 31, 2019	92.8	187.7	84.0	103.0	1.7	469.2

in millions of euros

DEPRECIATION AND IMPAIRMENT	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
DECEMBER 31, 2017	(10.9)	(133.6)	(32.5)	(50.4)	-	(227.4)
Of which finance leases & long-term leases	-	*(24.0)*	-	*(5.3)*	-	*(29.3)*
Currency Translation differences	-	0.2	0.1	0.4	-	0.7
Inter-item transfers	0.1	26.8	11.8	4.3	-	43.0
Changes in Group structure	(1.3)	(23.0)	(7.3)	(17.6)	-	(49.2)
Disposals, reductions and others	6.0	21.4	5.6	4.7	-	37.7
Depreciation expense	(17.6)	(23.8)	(20.6)	(16.4)	-	(78.4)
DECEMBER 31, 2018	(23.7)	(132.0)	(42.9)	(75.0)	-	(273.6)
Currency Translation differences	(0.2)	(1.3)	(0.5)	(0.9)	-	(2.9)
Inter-item transfers	0.2	1.7	(0.2)	0.4	-	2.1
Changes in Group structure	2.7	9.2	5.1	2.4	-	19.4
Disposals, reductions and others	12.5	17.4	20.3	17.5	-	67.7
Depreciation expense	(16.2)	(29.9)	(27.1)	(18.9)	(0.1)	(92.2)
DECEMBER 31, 2019	(24.7)	(134.9)	(45.3)	(74.5)	(0.1)	(279.5)

in millions of euros

NET	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
DECEMBER 31, 2018	50.5	59.2	45.6	33.4	1.6	190.3
DECEMBER 31, 2019	68.1	52.8	38.7	28.5	1.6	189.7

3.4 PARTICIPATIONS IN ASSOCIATES

The Group holds several equity investments in associates, with the participation in Getronics being the most significant investment and held through its shareholder Bottega InvestCo SARL. This participation was accounted for 28.8% in May 2018 during the acquisition of Servest (2018 Financial Report, Note 18). In July 2018, the Group decided to participate in the capital increase of Bottega InvestCo SARL with an investment of €27.2 million to finance the acquisition by Getronics of Pomeroy Group Holdings Inc. The percentage ownership of the Group in this company changed from 28.3% as of December 31, 2018 to 27,18% thereafter. In 2019 Getronics faced with a significant funding shortfall and a major deterioration of its operational results and business outlook. The Group decided to not participate in the funding of a restructuring plan of Getronics and finally decided to fully depreciate its share with an according impact on its income statement (in line item "Share of net income (loss) of equity affiliates") of €70.8 millions of euros.

in millions of euros

PARTICIPATION IN ASSOCIATES	Getronics	Others	TOTAL
DECEMBER 31, 2018	101.6	0.7	102.3
Investments in associates acquired through business combinations*	-	6.9	6.9
Increase in capital	-	-	-
Transfers, share issues and other movements	(0.6)	-	(0.6)
Dividends paid	-	-	-
Translation of foreign subsidiaries differences	4.8	0.2	5.0
Share of net income (loss) of equity affiliates**	(105.8)	(0.3)	(106.1)
DECEMBER 31, 2019	-	7.5	7.5

** corresponding to fair value of Ramky Shares*
*** including an impairment of €(70,8) million*

3.5 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 recognised in other comprehensive income except in the event of a prolonged decline in the value of the investment, in which case a corresponding impairment loss is recorded in the income statement for the period.
- 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. However, when the fair value of an equity instrument cannot be reasonably estimated, it is kept at historical cost.

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 7.1 and 7.2).

Other non-current financial assets amount to €21.2 million as of December 31, 2019 and is mainly composed of loans and receivables attached to equity interests.

in millions of euros

	Factoring security deposits	Investments in non-consolidated companies and related receivables	Other	Total gross value	Amortisation and impairment	Net value
DECEMBER 31, 2017	5.2	0.7	13.1	19.0	(1.1)	17.9
Changes in Group structure	0.5	-	9.6	10.1		10.1
Currency translation differences	-	-	-	-	-	-
Inter-item transfers	-	-	0.1	0.1	-	0.1
Disposals, reductions and others	(0.9)	-	(2.0)	(2.9)	-	(2.9)
Additions and reversals	-	-	-	-	-	-
DECEMBER 31, 2018	4.8	0.7	20.7	26.3	(1.1)	25.2
Changes in Group structure	-	-	(0.8)	(0.8)	-	(0.8)
Translation differences	-	-	0.6	0.7	-	0.6
Inter-item transfers	-	(0.6)	8.4	7.8	0.1	7.9
Sundry increases and reductions	0.5	-	(10.0)	(9.5)	(0.3)	(9.8)
Additions and reversals	16.5	-	2.3	18.8	0.1	18.9
DECEMBER 31, 2019	21.8	0.1	21.2	43.1	(1.2)	41.9

3.6 NON-CURRENT TAX ASSETS AND LIABILITIES

Deferred taxes are determined by 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 carryforwards 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.

3.6.1 Main sources of deferred taxes by nature

in millions of euros

	31-Dec-19	31-Dec-18
DEFERRED TAX ASSETS	74.2	62.0
Tax loss carry forwards	60.3	52.7
Employee benefits	7.0	3.5
Other Temporary differences	6.0	5.9
Other sources of deferred tax assets	1.0	(0.1)
DEFERRED TAX LIABILITIES	11.7	12.9
Other sources of deferred tax liabilities	11.7	12.9
TOTAL	62.5	49.1

Deferred tax assets on tax loss carryforward relate mainly to France €48 million, UK for €9 million and USA for €2 million. Deferred tax liabilities relate to customer relationship recognised as part of the acquisition of Servest UK for €9.6 million and TEMCO US for €1.2 million.

3.6.2 Recovery periods for deferred tax assets

	Recovery within 2 years	Recovery in 2 to 5 years	Recovery in 5 to 10 years	Recovery in 10 to 15 years	Total
DEFERRED TAX ASSETS (IN €M)	33.6	14.7	22.0	3.9	74.2

The recovery periods for deferred tax assets are based on the Group's taxable profit forecasts at 31 December 2019, while taking account of the CICE tax credit assumptions indicated in Note 3.1.3.

3.6.3 Tax base of unrecognised deferred tax assets

in millions of euros

	31-Dec-19	31-Dec-18
France (historical tax consolidation)	98.0	88.6
France (other and companies not included in the tax group)	0.0*	13.7
International	31.3	31.3
TOTAL	129.3	133.6

** These entities are now in the France tax consolidation group*

NOTE 4 CURRENT ASSETS

4.1 INVENTORIES

Inventories are stated at the lower of cost and market price. Cost is determined using weighted average unit cost, except for UK entities using First In First Out method. 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 under the Arthur McKay subsidiary's contracts.

in millions of euros

INVENTORIES	31-Dec-19			31-Dec-18		
	Gross	Impairment	Net	Gross	Impairment	Net
Raw materials/supplies and finished products	9.9	(0.1)	9.8	12.7	(0.1)	12.6
Work-in-progress	34.2	-	34.2	44.4	-	44.4
TOTAL	44.1	(0.1)	44.0	57.1	(0.1)	57.0

4.2 PREPAYMENTS

in millions of euros

PREPAYMENTS	31-Dec-19			31-Dec-18		
	Gross	Impairment	Net	Gross	Impairment	Net
Prepayments to suppliers	7.0	-	7.0	5.6	-	5.6
TOTAL	7.0	-	7.0	5.6	-	5.6

4.3 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, a majority of factoring receivables for which substantially all the risks and rewards of ownership are transferred to the factoring companies are derecognised.

The details of these receivables as of 31 December 2019 are disclosed in note 7 - "Non-current and current financial debts".

in millions of euros

TRADE AND OTHER RECEIVABLES	31-Dec-19			31-Dec-18		
	Gross	Impairment	Net	Gross	Impairment	Net
Trade receivables [1] *Trade receivables / Revenue accruals)*	**406.7**	**(17.9)**	**388.8**	**545.5**	**(19.6)**	**525.9**
OTHER RECEIVABLES	248.9	-	248.9	279.5	(1.3)	278.2
- Employees	3.5	-	3.5	4.8	-	4.8
- Social security bodies	3.7	-	3.7	4.3	-	4.3
- Tax other than on incom	185.9	-	185.9	225.0	-	225.0
Other operating receivables	**193.1**	-	**193.1**	**234.1**	-	**234.1**
Accrued rebates from suppliers	**12.6**	-	**12.6**	**3.8**	-	**3.8**
Other receivables	**24.9**	-	**24.9**	**26.4**	**(1.3)**	**25.1**
Prepaid expenses	**18.3**	-	**18.3**	**15.2**	-	**15.2**
TOTAL TRADE AND OTHER RECEIVABLES	**655.6**	**(17.9)**	**637.7**	**833.2**	**(20.9)**	**812.3**

(1) Including certain factored trade receivables that have not been derecognised (see Note 7.3).

The impairment on trade receivables concerns allowances for doubtful receivables.

4.4 BREAKDOWN OF TRADE RECEIVABLES BETWEEN AMOUNTS PAST DUE AND AMOUNTS NOT PAST DUE AT DECEMBER 31, 2019

in millions of euros

	Amounts not past due	Amounts past due		
		< 12 months	> 12 months	Total
Trade receivables	362.4	31.6	12.8	406.8
TOTAL TRADE RECEIVABLES	**362.4**	**31.6**	**12.8**	**406.8**

4.5 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. The Goup also has current cash account under the cash advance agreement with Atalian Holding Development & Strategy which is a component of cash and cash equivalents for €6.2 million.

in millions of euros

CASH AND CASH EQUIVALENTS	31-Dec-19			31-Dec-18		
	Gross	Impairment	Net	Gross	Impairment	Net
Cash	86.4	-	86.4	103.1	-	103.1
Marketable securities	3.3	-	3.3	2.6	-	2.6
TOTAL CASH AND CASH EQUIVALENTS	**89.7**	**-**	**89.7**	**105.7**	**-**	**105.7**

The Group's cash and cash equivalents are primarily in euros.
At 31 December 2019, cash and cash equivalent that are not available for use by the Group amounted to €17.6 million, mainly in Malaysia, and Singapore.

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

NOTE 5
EQUITY

5.1 SHARE CAPITAL

	31-Dec-18	Decrease	Increase	31-Dec-19
Shares (number)	116,237,206		-	116,237,206
NUMBERS OF SHARES OUTSTANDING	116,237,206	-	-	116,237,206
Par value	€1		€1	€1
SHARE CAPITAL IN €	**116,237,206**	**-**	**-**	**116,237,206**

On May 9, 2018, the parent company, La Financière Atalian made an increase in its capital for a total amount of €1,896,976 by issuing 1,896,776 new ordinary shares with a par value of €1 each, bringing the value of share capital from €112,727,800 to €114,624,776. These new shares were issued in exchange for the cash contributions of a total amount of €20,000,000, representing a total share issue premium of €18,103,024.

On June 15, 2018, there is a second issuance of 1,612,430 shares with a par value of €1 each, bringing the share capital from €114,624,776 to €116,237,206. These new ordinary shares were issued in exchange for the debt securities of total €17,000,000, representing a share issue premium of €15,387,570.

At December 31, 2018, in accordance with the Company's articles of association, all of the 116,237,206 shares making up its capital were ordinary shares.
At December 31, 2019, the company's share capital was composed of 116,237,206 fully paid-up shares with a par value of €1 each.

5.2 TRANSACTIONS RECOGNISED DIRECTLY IN EQUITY

5.2.1 CURRENCY TRANSLATION RESERVE

The main currency translation differences at 31 December 2019, 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	31-Dec-18	Change	31-Dec-19
Czech koruna	(0.6)	0.3	(0.3)
Indonesian rupiah	(1.0)	-	(1.0)
Turkish lira	(5.3)	(0.5)	(5.8)
Malaysian ringgit	(1.9)	0.3	(1.6)
US dollar	(4.2)	4.5	0.3
Pound sterling	(3.1)	14.3	11.2
Singapore dollar	(0.5)	1.0	0.5
Others	(0.1)	(0.8)	(0.9)
TOTAL	**(16.7)**	**19.1**	**2.4**

NOTE 6
NON-CURRENT AND CURRENT PROVISIONS

6.1 PROVISIONS RELATED TO PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

In accordance with IAS 37 a provision is recognized 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.
Employment benefits concerned are:

- Post retirement pension plans: mainly in France and UK
- Other long-term liability: in US and Turkey

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 2018 and 2019 is as follows:

in millions of euros

	As of 31-Dec-19			As of 31-Dec-18		
	Pensions	Other Employee Benefit Obligations	TOTAL	Pensions	Other Employee Benefit Obligations	TOTAL
France	22.7	-	22.7	15.0	-	15.0
UK*	-	-	-	-	-	-
US	-	7.1	7.1	-	8.3	8.3
Turkey	-	1.9	1.9	-	2.0	2.0
Other	0.6		0.6	0.6	-	0.6
TOTAL	**23.3**	**9.0**	**32.3**	**15.6**	**10.3**	**25.9**

(*) For UK, projected benefit obligation is fully covered by fair value of plan assets

- **Retirement benefits (IFC) scheme in France**

In accordance with IAS 19R, the Group recognises a provision for the retirement indemnities receivable by employees on the day of their retirement which are not covered by insurance policies.
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 prorate).
According to IAS 19, the actuarial gains and losses generated, whether due to changes in assumptions or experience, are recognized in equity.
Mains actuarial assumptions used in 2019 are:

FRANCE	As of 31-Dec-19	As of 31-Dec-18
Discount rate *	0.77	1.53
Salary increase rate (including inflation rate)	2.0% for white collar and 1.5% for blue collar **	2.0% for white collar and 1.5% for blue collar
Life expectancy	INSEE 2018	INSEE 2009

**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, only participants older than 56 years have been considered.*

- **Pensions UK**

The scheme granted by the Group in UK is a defined benefits pension scheme, which offers a fixed pension level at their retirement.
The amount of pension depends on the services provided by the employee to the Group until their retirement. The obligation is fully covered by the fair value of the plan assets and therefore the resulting provision is nil as of December 31, 2019.
In accordance with IAS 19R, the Group recognises a provision. The discount rate used in 2019 for the valuation of this scheme is 2.0% versus 2.8% in 2018.

- **Other long-term US**

The Group grants a work accident compensation to their employees in US (Workers compensation – (WC) and recognises also a provision for General litigation (GL).

These schemes are qualified as other long-term liability provision:

in millions of euros

	Total as of 31-Dec-19	Total as of 31-Dec-18
Provision for Workers Compensation	3.9	N/C
Provision for General Litigation	3.3	N/C
Total Other long-term liability	**7.1**	**8.3**

- **Other long-term Turkey**

In accordance with existing social legislation (Turkish Labor Law), the Group are 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 of 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.

in millions of euros

	Total as of 31-Dec-19	Total as of 31-Dec-18
Total Other long-term liability	**1.9**	**2.0**

in millions of euros

CHANGE IN NET AMOUNT RECOGNIZED	IFC France	Other countries	Total as of 31-Dec-19	Total as of 31-Dec-18
NET AMOUNT RECOGNIZED AT THE BEGINNING OF PERIOD*	15.0	10.9	25.9	27.9
Change of perimeter (*)	-	(10.3)	(10.3)	-
Net periodic pension cost	1.5	0.2	1.7	1.1
OCI (Remeasurements)	8.1	-	8.1	-
Company contributions	-	(0.3)	(0.3)	-
Benefit paid	(0.9)	-	(0.9)	-
Acquisitions / Disposals	(0.9)	0.1	(0.8)	(3.1)
(Gains)/losses on exchange rates	-	-	-	0.1
NET AMOUNT RECOGNIZED AT THE END OF PERIOD	22.7	0.6	23.3	25.9

(*) The liabilities of US and Turkey are presented separately in 2019, as other long term.

in millions of euros

CHANGE IN BENEFIT OBLIGATION	IFC France	Other countries	Total as of 31-Dec-19	Total as of 31-Dec-18
PROJECTED BENEFIT OBLIGATION AT BEGINNING OF PERIOD*	15.4	2.2	17.6	27.9
Change in perimeter	-	-	-	2.2
Current service cost	1.3	0.2	1.5	1.1
Net interest expense	0.2	0.1	0.3	-
Actuarial (gains)/losses on the DBO	8.1	0.2	8.3	-
Benefits paid	(1.2)	-	(1.2)	-
Past service cost	-	-	-	-
Settlements	-	-	-	-
Acquisitions / Disposals	(1.1)	0.1	(1.0)	(3.1)
(Gains)/losses on exchange rates	-	(0.3)	(0.3)	0.1
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	22.7	2.5	25.2	28.2

(*) The liabilities of US and Turkey are presented separately in 2019, as other long term.

(**) The defined benefit obligation of group in 2018 was adjusted with the obligation of UK and the fair value of plan asset in France to an amount of €28.2 million instead of €25.2 million before)

in millions of euros

CHANGE IN PLAN ASSETS	France	Other countries*	Total as of 31-Dec-19
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF PERIOD	(0.4)	(3.0)	(3.4)
Net interest income	-	(0.1)	(0.1)
Company contributions	-	(0.3)	(0.3)
Benefits paid	0.3	0.4	0.7
Actuarial (gains)/losses on plan asset	-	0.1	0.1
Acquisitions / Disposals	0.1	-	0.1
(Gains)/losses on exchange rates	-	(0.2)	(0.2)
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	-	(3.1)	(3.1)

(*) UK Only

in millions of euros

	UK
EFFECT OF ASSETS CEILING AT BEGINNING OF PERIOD	1.1
Net interest income	-
Actuarial (gains)/losses on the effect of assets ceiling	(0.2)
(Gains)/losses on exchange rates	0.1
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	1.0

in millions of euros

CHANGE IN PLAN ASSETS NET OF CEILLING EFFECT	France	Other countries*
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF PERIOD	(0.4)	(1.9)
Net interest income	-	(0.1)
Company contributions	-	(0.3)
Benefits paid	0.3	0.4
Actuarial (gains)/losses on plan asset	-	0.1
Acquisitions / Disposals	0.1	-
(Gains)/losses on exchange rates	-	(0.1)
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	-	(2.1)

(*) UK Only

in millions of euros

EXPECTED BENEFIT PAYMENT	France
2020	1.9
2021	2.4
2022	0.9
2023	0.6
2024	0.7
2025/2029	5.4
TOTAL	12.0

The effect of a ±0.5% change in the discount rate on the 2019 Defined Benefit Obligations in France is as follows:

in millions of euros

SENSITIVITY ANALYSIS	Discount rate - 0.50%	Discount rate + 0.50%
DBO Impact	0.7	(0.6)

6.2 CURRENT PROVISIONS

In accordance with IAS 37 a provision is recognized 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, 2017	11.5	6.4	17.9
Currency translation differences	-	-	-
Changes in accounting methods and Group structure	0.9	0.9	1.4
Allowances of the period	-	6.5	10.0
Releases	(5.8)	(1.6)	(7.5)
DECEMBER 31, 2018	10.0	12.6	22.6
Currency translation differences	-	-	-
Changes in accounting methods and Group structure	-	(0.3)	(0.4)
Allowances of the period	6.0	3.8	9.8
Releases (utilisations)	(1.7)	(2.1)	(3.7)
Releases (unused provisions)	(0.6)	(1.7)	(2.3)
DECEMBER 31, 2019	13.4	12.3	25.7

NOTE 7
LONG AND SHORT-TERM FINANCIAL LIABILITIES

7.1 BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

in millions of euros

FINANCIAL LIABILITIES	Short-term	Long-term		Total
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	31-Dec-19
Bonds*	0.6	604.0	613.3	1,217.9
Bank borrowings	56.2	5.0	-	61.2
Lease liabilities	-	115.1	-	115.1
Other borrowings and financial liabilities	0.3	-	-	0.3
Loans from subsidiaries and associates	-	1.9	-	1.9
Factoring loans	30.5	-	-	30.5
TOTAL INTEREST-BEARING BORROWINGS AT DEC. 31, 2019	87.6	726	613.3	1,426.9
TOTAL INTEREST-BEARING BORROWINGS AT DEC. 31, 2018	144.5	89.4	1,216.4	1,450.3

** bonds net of amortisable issuance costs of €(27.5) million of which amortized €(5.1) million in 2020.*

As of December 31, 2019, the Group had a revolving credit line of up to €103 million, of which €54 million was used and €49 million could be used.

In 2017, the Group repaid the former bonds issued in 2013 and 2016, by issuing a new €625 million bond issue maturing in 2024 giving a 4% coupon (excluding issue costs).

In May 2018, with the acquisition of Servest, the Group issued two new bonds maturing in 2025 for €350 million (at a rate of 5.125%) and £225 million (at a rate of 6.625%).

This financing is subject to limited financial covenants based on the Group's consolidated accounts. At 31 December 2019, all these financial covenants were respected.

7.2 CONFIRMED CREDIT LINES

in millions of euros

	Confirmed lines	Utilised lines
Bonds*	1,239.5	1,239.5
Bank borrowings	109.3	60.3
Factoring loans**	217.9	169.5
TOTAL	1,566.7	1,469.3

** Principal, excluding issuance costs. Based on an average market value as of December 31st 2019, the fair value would amount to €994.1 million.*
*** Included €139.0 million of derecognised receivables.*

7.3 FACTORING

Several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts.

At 31 December 2019, 4 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 €157.5 million at the year-end, giving the Group €139 million in cash with the remaining €18.5 million corresponding to a security deposit.

In addition, 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.

These receivables totaled €34.5 million, with guarantee deposit of €4.0 million and generate a current financial debt of €30.5 million. The debt was €105.7 million as of December 31, 2018.
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.

7.4 VARIATION OF CURRENT AND NON-CURRENT FINANCIAL DEBTS

in millions of euros

	31-Dec-18	Cash impact Increase	Cash impact Decrease	Non-cash impact & others	31-Dec-19
Non-current financial debts	1,305.8	0.6	(66.3)	99.2	1,339.3
of which debts from leasing	*104.2*	-	*(65.5)*	*76.4*	*115.1*
of which debts from bonds	*1,194.2*	-	-	*23.1*	*1,217.3*
of which debts from bank borrowings	*5.3*	-	*(0.3)*	-	*5.0*
of which debts from factoring	-	-	-	-	-
of which debts from other	*2.1*	*0.6*	*(0.5)*	*(0.3)*	*1.9*
Current financial debts	144.5	38.3	(75.8)	(19.4)	87.6
GROSS DEBTS	**1,450.3**	**38.9**	**(142.1)**	**79.8**	**1,426.9**
Financial instrument	2.1	-	-	1.6	3.7
Gross debt incl. Financial instrument	1,452.4	38.9	(142.1)	81.5	1,430.7

NOTE 8
CHANGES IN NET DEBT

8.1 CHANGES IN NET DEBT

in millions of euros

	31-Dec-19	31-Dec-18
Cash and cash equivalents	89.7	105.7
Short-term bank loans and overdrafts	(2.5)	(1.3)
NET CASH AND CASH EQUIVALENTS (1)	**87.2**	**104.4**
Non-current financial liabilities	(1,339.3)	(1,305.8)
of which debts from leasing	*(115.1)*	*(104.2)*
Current financial liabilities (2)	(87.6)	(144.5)
GROSS DEBT	**(1,426.9)**	**(1,450.3)**
Financial instrument (liability)	(3.7)	(2.1)
DEBT	**(1,430.6)**	**(1,452.4)**
NET DEBT	**(1,343.4)**	**(1,348.0)**

(1) Net cash and cash equivalents as analysed in the statement of cash flows.

(2) Movements for the period mainly correspond to the change in debt resulting from factoring contracts not involving the transfer of substantially all the risks and rewards of ownership.

Net debt after adding back the derecognised factoring contracts of €139.0 million as of December 31, 2019 (€53.7 million as of December 31, 2018) would amount to €(1,482.4) million as of December 31, 2019 ((1,401.7) million as of December 31, 2018).

8.2 MAIN CHANGES DURING THE PERIOD

in millions of euros

NET DEBT AT DECEMBER 31, 2017	**(518.9)**
Cash generated from operations before financial expenses and tax	139.8
Change in operating working capital	(32.3)
Income tax paid (including CVAE)	(23.3)
TOTAL – OPERATING ACTIVITIES	**84.2**
Capital expenditure	(46.0)
Financial investments	(458.4)
Leasing investments - IFRS 16	(38.7)
Changes in Group structure	(258.0)
TOTAL – INVESTING ACTIVITIES	**(801.1)**
Dividends paid	(17.8)
Finance costs. net	(65.2)
Capital transactions	37.0
Change in other financial assets	2.9
Impact of IFRS16 first appliaction	(70.8)
Other (translation adjustments on borrowings, etc.)	1.7
TOTAL – FINANCING ACTIVITIES	**(112.2)**
NET DEBT AT DECEMBER 31, 2018	**(1,348.0)**
Cash generated from operations before financial expenses and tax	183.2
Change in operating working capital	62.4
Change in other financial assets	(17.0)
Income tax paid (including CVAE)	(23.1)
TOTAL – OPERATING ACTIVITIES	**205.5**
Capital expenditure	(45.8)
Financial investments	4.4
Leasing investments - IFRS 16	(64.5)
Changes in Group structure	3.7
TOTAL – INVESTING ACTIVITIES	**(102.2)**
Dividends paid	(5.2)
Finance costs. net	(82.0)
Capital transactions	-
Other (translation adjustments on borrowings, etc.)	(11.5)
TOTAL – FINANCING ACTIVITIES	**(98.7)**
NET DEBT AT DECEMBER 31, 2019	**(1,343.4)**

NOTE 9 OTHER CURRENT LIABILITIES

9.1 OTHER CURRENT LIABILITIES

in millions of euros

	31-Dec-19	31-Dec-18
CUSTOMER PREPAYMENTS	**3.9**	**6.1**
CURRENT TAX LIABILITIES	**10.1**	**9.0**
TRADE PAYABLES	**258.0**	**282.8**
DEBTS RELATED TO PRE-FINANCING CICE	**130.3**	**162.0**
OTHER CURRENT LIABILITIES	**417.9**	**454.0**
Employee-related liabilities	167.9	170.9
Social Security payable	97.7	115.0
Other accrued taxes	119.2	125.3
Other current payables	28.7	39.4
Deferred income	4.4	3.4

- **Trade and other payables**
Owing to their short-term nature, the historical amounts recognised in the consolidated financial statements for trade and other payables are reasonable estimates of their market value.

- **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 Public d'Investissement (BPI) and sold to BPI its estimated future receivables as a guarantee for financing received from BPI (see section 11).

9.2 SHORT-TERM BANK LOANS AND OVERDRAFTS

The Group's short-term bank loans and overdrafts – which are mainly denominated in euros – amounted to €2.5 million at 31 December 2019 compared with €1.3 million at 31 December 2018. Bank credit balances and current bank overdrafts are mainly held in euros.

NOTE 10
SEGMENT REPORTING

• Identification of segments

The new division results from a significant reorganization of internal reporting and managerial responsibilities within the group due to the acquisition of Servest activities. These divisions are used for the management and internal reporting, reviewed by the chief operating decision maker namely the President of La Financière Atalian.

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

- A "France" division, comprising all of the companies located in France.
- A "UK" division, comprising all UK companies within Servest group which have been acquired in 2018. The Aktrion Automotive entities of Servest have been attached to the "International" segment.
- An "International" division, comprising all the companies excluding France and Servest Group's UK companies

• 2019 changes in Reportable segments information

Following the acquisition of Servest in 2018, all its entities had been classified under Servest division for simplification purpose. Some Servest entities (Aktrion Automotive division) have their activity outside UK implying a reclassification in International division. In early 2019 management report was modified to reflect this change in internal reporting structure. In addition, International's holding costs were previously allocated to International's reporting segment and are now included within the residual reporting segment "Other", as it was already reported for French's holding costs. The purpose of this change was to align with the performance management reporting and the financial communication during FY19.
To allow comparability, 2018 figures were restated to reflect these change.

• Segment indicators

For each of its operating segments, the Group presents the following income statement items which are monitored by the chief operating decision maker:

- revenue;
- and 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				Total Group
in millions of euros	France	International	UK	Others*	
PERIOD ENDED DECEMBER 31, 2019					
Revenue	1,363.1	902.7**	796.0	(3.0)	3,058.8
Recurring operating profit before depreciation, amortisation, provisions and impairment losses	133.0	55.0	50.6	(35.2)	203.4
** include inter-segment revenue*					
***of which countries contributing to turnover > 10%*					
United States		*210.1*			
Czech Republic		*101.7*			
Belgium		*92.9*			
PERIOD ENDED DECEMBER 31, 2018					
Revenue	1,294.8	896.3**	508.0	(3.7)	2,695.4
Recurring operating profit before depreciation, amortisation, provisions and impairment losses	121.7	63.9	30.7	(31.5)	184.8
** include inter-segment revenue*					
***of which countries contributing to turnover > 10%*					
United States		*210.2*			
Czech Republic		*104.9*			
Belgium		*92.0*			

NOTE 11
OPERATING PROFIT

• Turnover

The turnover is mainly generated by the provision of services to the occupants (cleanliness, security or green spaces) or buildings (technical maintenance, energy management and the second work).

Our 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 realization of which is carried out as the contract progresses, so that the performance obligation is satisfied in time and generally invoiced on a monthly basis. These services are generally recognized using the billing method when the Group charges a fixed price for each hour of service provided. Thus, revenue is recognized at the time the service is rendered, i.e. when the performance obligation is satisfied under IFRS 15

The turnover of most building services activities is 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 analyzed 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 recognized turnover, a prepaid income is recognized.
- if the revenue is lower than the recognized turnover on the progress, an invoice to be issued 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.

Revenue is 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 recognized when there is significant uncertainty as to the recoverability of the consideration.

Turnover 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 recognized 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

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.

In addition to recurring operating profit before depreciation, amortisation, provisions and impairment losses, recurring operating profit includes the majority of items that do not have a cash impact (depreciation, amortisation, impairment of non-financial assets, provisions, etc.), as well as various other items that cannot be directly attributed to another income statement heading.

in millions of euros

EMPLOYMENT COSTS	2019	2018
WAGES AND OTHER EMPLOYMENT-RELATED EXPENSE - I	**(1,982.2)**	**(1,749.1)**
of which wages and salaries	*(1,656.9)*	*(1,446.5)*
of which employer social contributions	*(289.7)*	*(276.4)*
of which contributions to defined contribution plans	*(12.9)*	*(12.3)*
of which other employment related expenses	*(22.7)*	*(13.8)*
PROFIT-SHARING AND INCENTIVE PLANS - II	**(2.4)**	**(0.8)**
TOTAL	**(1,984.6)**	**(1,749.9)**

in millions of euros

DEPRECIATION AND AMORTISATION	2019	2018
INTANGIBLE ASSETS	(5.5)	(5.1)
PROPERTY, PLANT AND EQUIPMENT	(92.1)	(81.6)
of which D&A own property PP&E	*(41.4)*	*(36.3)*
of which amortisation of rights of use	*(50.7)*	*(45.3)*
D&A ACQUIRED THROUGH BUSINESS COMBINATION	(8.7)	(6.0)
TOTAL	**(106.3)**	**(92.6)**

- **CICE tax credit**

The "Tax Credit for Competitiveness and Employment" (CICE) was introduced by the Amended French Finance Act for 2012 (Act n° 2012-1510 dated on 29 December 2012).

The CICE aimed at helping French companies finance and enhance their competitiveness, particularly through investment, research, innovation, recruitment, exploration of new markets, ecology, energy efficiency, and rebuilding their working capital. The calculation of the CICE is based on the salaries not exceeding 2.5 times the French minimum wage that are paid to employees in a given period of time.

In 2018, The Group recognised the CICE as a deduction from payroll expenses within recurring operating profit in the consolidated income statement and corresponding accrued tax receivables is recognised in "Other receivables".
The Group used to pre-finance its future CICE tax credit receivables through the Banque Public d'Investissement (BPI). Financing contracts are entered into through which the Group sells to BPI its estimated future receivables for the calendar year as a guarantee for financing received from BPI. At the end of the financial year, the Group recognises a liability under "Liabilities related to payroll tax credit prefinancing" in an amount corresponding to the cash received from BPI through the pre-financing mechanism (see Note 9.1). Following the replacement of the CICE in 2019, the pre-financing with BPI doesn't apply anymore and the liability is ultimately expected to decrease.

From January 1st, 2019, the CICE has been replaced by a reduction in social security contributions by an equivalent rate. Therefore, in 2019, the Competitiveness and Employment Tax Credit (CICE) is no more incurred in the operating income as the tax credit is replaced by an explicit reduction in the employment costs.

- **Others operating income and expenses**

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

In 2019, other operating expenses represented a charge of €10.1 million.

The breakdowns by different types of costs and divisions are as belows:

in millions of euros

	2019	2018
Restructuring costs	(5.9)	(20.6)
Specific Fees	-	(6.4)
Acquisition costs	-	(6.5)
DOE Litigation (US)	(6.6)	-
Profit/Loss on disposal of subsidiary	2.8	-
Other operating income and expenses	(0.4)	(3.4)
TOTAL	**(10.1)**	**(36.9)**

NOTE 12
FINANCE COSTS, NET & OTHER 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, the amortisation of issuing costs and interest received on available cash.
- Other financial income and expenses.

12.1 BREAKDOWN OF NET FINANCAL DEBT COST

in millions of euros

	31-Dec-19	31-Dec-18
Financial expenses	(83.1)	(66.7)
Financial income	1.2	1.5
NET FINANCIAL DEBTS COST	**(81.9)**	**(65.2)**
Analysis		
- Net interest on borrowings	(74.5)	(59.8)
- Income from cash and cash equivalents	1.2	1.5
- Interest on finance leases	(2.4)	(1.9)
- Interest on new IFRS16 leases	(6.2)	(5.0)
TOTAL	**(81.9)**	**(65.2)**

The increase in net interest on borrowings is mainly related to the issuance of new bonds to finance the Servest UK acquisition in May 2018.

12.2 BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros

	31-Dec-19	31-Dec-18
Dividends received from non-consolidated companies	-	-
Net (additions to)/reversals of provisions for financial items	(0.4)	(1.3)
Foreign exchange gains and losses	(2.3)	(1.0)
Other	(1.2)	(0.4)
OTHER FINANCIAL INCOME AND EXPENSES	**(3.9)**	**(2.7)**

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: €7.6 million for the Group as a whole as at December 31, 2019.

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 on the leasing 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.

The ANC position was used in term of the "3/6/9" according to French commercial lease to limit the duration of the contract to the maximum of 9 years. An assessment of the impact of the IFRIC December 2019 pronouncement regarding this matter is underway.

- **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

	31-Dec-19
Tangible assets	81.0
Right-of-use	108.7
TOTAL	**189.7**
Intangible assets	81.3
Right-of-use	
TOTAL	**81.3**

The main leasing contracts include real estate, vehicles and materials & equipment.

13.2 BREAKDOWNS OF RIGHT-OF-USE

in millions of euros

GROSS	Real estate	Vehicles	Materials & equipment	Other	TOTAL
DECEMBER 31, 2018	**53.9**	**53.8**	**27.6**	**4.0**	**139.3**
Currency Translation differences	0.4	0.9	-	-	1.4
Inter-item transfers	-	0.8	0.5	0.6	1.9
Changes in Group structure	(5.5)	(7.8)	(3.8)	-	(17.1)
Acquisitions	42.1	30.5	13.7	0.8	87.2
Disposals, reductions and others	(17.2)	(21.0)	(6.9)	(4.0)	(49.0)
DECEMBER 31, 2019	**73.7**	**57.2**	**31.1**	**1.4**	**163.5**

in millions of euros

AMORTISATION AND LOSS OF VALUE	Real estate	Vehicles	Materials & equipment	Other	TOTAL
DECEMBER 31, 2018	**(12.9)**	**(16.7)**	**(8.5)**	**(0.2)**	**(38.3)**
Currency Translation differences	(0.1)	(0.2)	-	-	(0.4)
Inter-item transfers	-	(0.2)	-	-	(0.2)
Changes in Group structure	1.8	3.0	1.5	-	6.3
Depreciation expense	(15.6)	(23.9)	(10.7)	(0.5)	(50.7)
Disposals, reductions and others	8.6	15.3	4.4	0.2	28.5
DECEMBER 31, 2019	**(18.3)**	**(22.7)**	**(13.3)**	**(0.5)**	**(54.8)**

in millions of euros

NET	Real estate	Vehicles	Materials & equipment	Other	TOTAL
DECEMBER 31, 2018	**41.0**	**37.1**	**19.1**	**3.8**	**101.0**
DECEMBER 31, 2019	**55.4**	**34.5**	**17.9**	**0.9**	**108.7**

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

in millions of euros

	31-Dec-19			31-Dec-18		
	France	Other countries	Total	France	Other countries	Total
Current income taxes	(0.3)	(4.7)	(5.0)	(0.2)	(3.9)	(4.1)
Deferred taxes	(1.5)	10.1	8.6	(0.7)	2.2	1.5
CVAE	(17.6)	-	(17.6)	(16.9)		(16.9)
TOTAL	**(19.4)**	**5.4**	**(14.0)**	**(17.8)**	**(1.7)**	**(19.5)**

14.2 RECONCILIATION BETWEEN THEORETICAL AND EFFECTIVE TAX CHARGE (TAX PROOF)

in millions of euros

	31-Dec-19	31-Dec-18
Profit for the period before income tax and CVAE	(114.2)	(41.0)
CVAE	(17.6)	(16.9)
- Share of net income (loss) of other equity-accounted entities	106.1	13.1
Pre-tax profit	(25.7)	(44.8)
Theoretical tax rate	34.43%	34.43%
THEORETICAL TAX CHARGE	**8.8**	**15.4**
Net impact of the recognition/non-recognition of tax loss carryforwards	(20.4)	(31.9)
Permanent differences (including CICE tax credit*)	11.9	10.7
Temporary differences not generating deferred taxes	0.6	0.6
Other (difference between French and foreign tax rates etc.)	2.7	2.6
TOTAL DIFFERENCE	**3.6**	**(2.6)**
CVAE	(17.6)	(16.9)
TOTAL CURRENT AND DEFERRED TAXES	**(14.0)**	**(19.5)**
**including non taxable CICE income*		*11.6*

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: "La Financière Atalian", "Atalian Cleaning (formerly TFN Val)", "Atalian Sécurité" all recorded tax losses for the year.

There is no tax on French companies recognized by the Group for the year ended December 31, 2019.

NOTE 15
OFF-BALANCE SHEET COMMITMENTS

The notes below provide a summary of the Group's guarantee commitments, miscellaneous contractual commitments and lease commitments.

See Note 7 for further details of commitments given and received under financing contracts.

15.1 GUARANTEE COMMITMENTS

in millions of euros

	31-Dec-19	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Pledges, mortgages and collateral	1.5	-	1.5	-
Guarantees and endorsements given	46.1	31.8	14.0	0.2
TOTAL GUARANTEE COMMITMENTS GIVEN	**47.6**	**31.8**	**15.5**	**0.2**

Atalian Financial's senior notes issued in May 2017 and May 2018 are guaranteed by certain subsidiaries for the amount they received for each issue.

in millions of euros

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 Cleaning SAS Atalian Europe SA Atalian Global Services UK2 Ltd

** amount of the limited guarantee to the portion of the amount of the issue for which the subsidiary concerned has benefited*

15.2 MISCELLANEOUS CONTRACTUAL COMMITMENTS

in millions of euros

	31-Dec-19	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Discounted bills not due	-	-	-	-
Commitments from factoring companies (1)	217.9	217.9	-	-
RCF (2)	103.0	-	103.0	-
TOTAL MISCELLANEOUS CONTRACTUAL COMMITMENTS RECEIVED	**320.9**	**217.9**	**103.0**	**-**

(1) of which €169.5 million have been used
(2) of which €54 million have been used

15.3 COLLATERAL GRANTED

"The shares held by Atalian SASU in the capital of Atalian Cleaning SAS, 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 million. This amount was increased to €98 million on July 24, 2018 and then to €103 million on January 9, 2019. "

NOTE 16
HEADCOUNT

16.1 AVERAGE NUMBER OF EMPLOYEES (FULL-TIME EQUIVALENT)

	2019	2018
France		
- Managers	727	809
- Supervisors	6,764	2,290
- Other employees	24,743	29,031
TOTAL FRANCE	32,234	32,130
INTERNATIONAL (EXCLUDING UK)	57,611	50,581
TOTAL AVERAGE NUMBER OF EMPLOYEES	**113,926**	**101,690**
INCLUD. UK (FULL & PART-TIME*)	24,081	18,979

** UK's headcount calculation is not based on full-time equivalent during the period but the number of employees as at December 31 including part-time employees.*

NOTE 17
STATUTORY AUDITORS' FEES

17.1 BREAKDOWN OF STATUTORY AUDITORS' FEES

2019 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.

in millions of euros

	31-Dec-2019			31-Dec-2018		
	Bugeaud	EY	Total	Bugeaud	PwC	Total
Audit of individual or consolidated accounts by the Statutory Auditors or members of their network						
- La Financière ATALIAN	0.2	0.2	**0.4**	0.1	0.1	**0.2**
- Subsidiaries	0.7	2.0	**2.7**	0.7	1.6	**2.3**
Services other than auditing provided by the Statutory Auditors or members of their network (*)						
- La Financière ATALIAN	-	-	-	-	1.8	**1.8**
- Subsidiaries	-	-	-	-	0.1	**0.1**
TOTAL	**0.9**	**2.2**	**3.1**	**0.8**	**3.6**	**4.4**
- La Financière ATALIAN	0.2	0.2	**0.4**	0.1	1.9	**2.0**
- Subsidiaries	0.7	2.0	**2.7**	0.7	1.7	**2.4**

** 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.*

NOTE 18

LIST OF CONSOLIDATED ENTITIES

COMPANIES	Country	% INTEREST December 2019	Method of consolidation
FULLY CONSOLIDATED COMPANIES			
FRANCE			
STRUCTURE			
LA FINANCIERE ATALIAN	France	100.00	FC
ATALIAN	France	100.00	FC
ATALIAN SERVICES PARTAGÉS	France	100.00	FC
ATALIAN SERVICES COMPTABLES	France	100.00	FC
ATALIAN SERVICES RESSOURCES HUMAINES	France	100.00	FC
ATALIAN SERVICES INFORMATIQUES	France	100.00	FC
ATALIAN FINANCES	France	100.00	FC
ATALIAN GESTION	France	100.00	FC
SCI SAINT APOLLINAIRE	France	100.00	FC
SCI AMPÈRE LA MAINE	France	100.00	FC
SCI CARRIERE DOREE	France	100.00	FC
SCI LUNEL	France	100.00	FC
SCI DES GAULNES	France	100.00	FC
SCI FJ PART INVEST France	France	100.00	FC
SCI CRETEIL	France	100.00	FC
CLEANING			
DRX	France	90.50	FC
TNEX	France	90.50	FC
ATALIAN CLEANING	France	90.50	FC
ATALIAN Propreté IDF	France	90.50	FC
TFN Appros Technique	France	90.50	FC
COMATEC	France	90.50	FC
EPPSI	France	90.50	FC
USP NETTOYAGE	France	90.50	FC
ATALIAN Propreté PACA	France	90.50	FC
ATALIAN Propreté Nord Normandie	France	90.50	FC
ATALIAN Propreté Ouest	France	90.50	FC
ATALIAN Propreté Sud Ouest	France	90.50	FC
ATALIAN Propreté Est	France	90.50	FC
ATALIAN Propreté Rhône-Alpes	France	90.50	FC
CARRARD SERVICES	France	90.50	FC
FRANCE CLAIRE	France	90.50	FC
PROBUS	France	90.50	FC
TFS	France	90.50	FC
VITSOLNET	France	90.50	FC
NET EXPRESS	France	90.50	FC
HEI	France	90.50	FC
CAMMARATA	France	90.50	FC
CMR	France	90.50	FC
SMNI	France	90.50	FC
ATALIAN SERVICES ASSOCIES	France	100.00	FC
DPS	France	90.50	FC
FINANCIERE DES SERVICES	France	90.50	FC

COMPANIES	Country	% INTEREST December 2019	Method of consolidation
APS HOLDING	France	90.50	FC
VPS	France	90.50	FC
LIMPA	France	90.50	FC
BBA	France	90.50	FC
EFFI SERVICE	France	90.50	FC
SOGEPARK	France	90.50	FC
SOGEPARK PREMIUM	France	90.50	FC
SECURITY			
ATALIAN SURETE	France	100.00	FC
LANCRY PROTECTION SÉCURITÉ (LPS)	France	100.00	FC
LANCRY FORMATION	France	100.00	FC
TRIGION SECURITE	France	90.50	FC
ATALIAN SECURITE	France	94.84	FC
AIRPORT PASSENGERS & FREIGHT SECURITY	France	90.15	FC
ATALIAN SECURITE TECHNOLOGIQUE	France	94.84	FC
ATALIAN CANIN SOLUTION	France	94.84	FC
SURVEILLANCE HUMAINE ARMEE PRIVEE	France	94.84	FC
AFPS LYON	France	90.15	FC
MULTITECHNICAL			
ATALIAN INGÉNIERIE DES SERVICES	France	100.00	FC
MAINTENANCE TECHNIQUE OPTIMISÉE (MTO)	France	100.00	FC
EUROGEM	France	100.00	FC
FACIMALP	France	100.00	FC
MTO INDUSTRIES ET SERVICES	France	100.00	FC
ETS DIDIER BERNIER	France	100.00	FC
GORET	France	100.00	FC
YANNICK VERDIER	France	100.00	FC
ERGELIS	France	100.00	FC
GROUPE CADIOU	France	100.00	FC
ARCEM	France	100.00	FC
BEI	France	100.00	FC
CEI	France	100.00	FC
CEI LORIENT	France	100.00	FC
SEI	France	100.00	FC
PPR			
TFN PPR	France	100.00	FC
LETUVE	France	100.00	FC
GERMOT	France	100.00	FC
INTERNATIONAL			
EUROPE			
BE-TEMCO HOLDING BVBA	Belgium	100.00	FC
BE-TEMCO EUROPE HOLDING BVBA	Belgium	100.00	FC
BE-ATALIAN MANAGEMENT SERVICES NV	Belgium	100.00	FC
BE-TEMCO REAL ESTATE BVBA	Belgium	100.00	FC
BE-ATALIAN SERVICES BVBA	Belgium	100.00	FC
BE-ATALIAN SA	Belgium	100.00	FC
BE - GREEN KITCHEN	Belgium	51.00	FC

COMPANIES	Country	% INTEREST December 2019	Method of consolidation
BE - ATALIAN BUIDING SOLUTIONS NV	Belgium	51.00	FC
LU-ATALIAN GLOBAL SERVICES Luxembourg	Luxembourg	100.00	FC
LU-ATALIAN EUROPE	Luxembourg	100.00	FC
LU-MTO Luxembourg	Luxembourg	100.00	FC
LU-CITY ONE Luxembourg	Luxembourg	50.00	FC
LU-ATALIAN INTERNATIONAL	Luxembourg	99.00	FC
LU-ATALIAN AFRIQUE	Luxembourg	99.00	FC
NL-VISSCHEDIJK SCHOONMAAK ZW BV	Netherlands	69.30	FC
NL-VISSCHEDIJK BV	Netherlands	69.30	FC
NL-VISSCHEDIJK FACILITAIR BV	Netherlands	69.30	FC
NL-VISSCHEDIJK CATERING BV	Netherlands	69.30	FC
NL-VISSCHEDIJK SCHOONMAAK NO BV	Netherlands	69.30	FC
NL-VISSCHEDIJK SCHOONMAAK+ BV	Netherlands	69.30	FC
CZ-ATALIAN CZ sro	Czech Republic	100.00	FC
CZ-ATALIAN SERVIS CZ sro	Czech Republic	100.00	FC
CZ-AGUA PRAGUE sro	Czech Republic	100.00	FC
CZ-AIRE Brno sro	Czech Republic	100.00	FC
HU-ATALIAN GLOBAL SERVICES HUNGARY	Hungary	100.00	FC
HU-ATALIAN FACILITY MANAGEMENT & GLOBAL SERVICES	Hungary	100.00	FC
HR-ATALIAN GLOBAL SERVICES	Croatia	97.23	FC
HR - TEHINSPEKT	Croatia	58.34	FC
RO-ATALIAN ROMANIA	Romania	100.00	FC
RO-IQ REAL ESTATE	Romania	100.00	FC
RO-MT&T PROPERTY MANAGEMENT SRL	Romania	99.00	FC
SK-ATALIAN	Slovakia	100.00	FC
PL-ATALIAN POLAND	Poland	100.00	FC
PL-ASPEN RES	Poland	100.00	FC
PL-ASPEN HOLDING	Poland	100.00	FC
PL-VANGUARD	Poland	100.00	FC
PL-ASPEN Sp. Z.o.o.	Poland	100.00	FC
PL-ASPEN SERWIS	Poland	100.00	FC
PL-ATALIAN SERVICE	Poland	100.00	FC
PL-ATALIAN ENERGY	Poland	100.00	FC
TR-ATALIAN ENTEGRE TESIS YONETIMI HIZMETLERI A.S	Turkey	97.46	FC
TR-EKOL TEKNIK TEMIZLIK BAKIM YÖNETIM HIZMETLERI ve TICARET A.S	Turkey	99.00	FC
TR-E GRUP GÜVENLIK HIZMETLERI Ltd. STI	Turkey	99.00	FC
TR-EVD ENERGY	Turkey	97.46	FC
RU-ATALIAN GLOBAL SERVICES	Russia	97.02	FC
RU-ATALIAN LLC	Russia	53.17	FC
RU-ATALIAN ENGINIEERING	Russia	66.32	FC
RU-ESPRO ENGINIEERING	Russia	97.02	FC
RU-NOVY DOM	Russia	73.73	FC
RU-CLEANING PROFI	Russia	73.73	FC
RU-PROF KLIM	Russia	97.02	FC
RU-AFM2	Russia	97.02	FC
BY - ATALIAN	Belarus	57.42	FC
RS-ATALIAN LTD BELGRADE	Serbia	99.00	FC
RS-ATALIAN GLOBAL SERVICES - RS DOO BEOGRAD	Serbia	59.80	FC

COMPANIES	Country	% INTEREST December 2019	Method of consolidation
RS-MOPEX TEKUCE ODRZAVANJE D.o.o.	Serbia	59.80	FC
BA-ATALIAN GLOBAL SERVICES BH d.o.O. Sarajevo	Bosnia	97.23	FC
BA-ATALIAN GLOBAL SERVICES Banja Luka	Bosnia	97.23	FC
BG-MT&T PROPERTY MANAGEMENT	Bulgaria	99.00	FC
GB - SERVEST AKTRION Ltd	United Kingdom	100.00	FC
GB - AKTRION HOLDINGS ltd	United Kingdom	100.00	FC
GB - AKTRION GROUP Ltd	United Kingdom	100.00	FC
GB - AKTRION GASSER UK Ltd	United Kingdom	100.00	FC
FR - AKTRION FRANCE SAS	France	100.00	FC
CZ - AKTRION Z s.r.o.	Republic Czech	100.00	FC
ES - AKTRION IBERIA SRL	Spain	100.00	FC
HU - AKTRION HUNGARY Kft	Hungary	100.00	FC
RO - AKTRION ROMANIA SRL	Romania	100.00	FC
SK - AKTRION SLOVAKIA s.r.o.	Slovakia	100.00	FC
PL - AKTRION POLAND Sp Z.o.o.	Poland	100.00	FC
PT - AKTRION PORTUGAL	Portugal	100.00	FC
DE - AKTRION GmbH	Germany	100.00	FC
SE - AKTRION SWEDEN AB	Sweden	100.00	FC
USA			
US-ATALIAN GLOBAL SERVICES INC	United States	99.00	FC
US-TEMCO SERVICE INDUSTRIES INC	United States	99.00	FC
US-TEMCO EUROPE SECOND SHAREHOLDER LLC	United States	99.00	FC
US-TEMCO BUILDING MAINTENANCE INC (PENSYLVANIA)	United States	99.00	FC
US-TECHNICAL BUILDING MAINTENANCE CORP OF NEW JERSEY	United States	99.00	FC
US-TEMCO BUILDING MAINTENANCE INC (NEW JERSEY)	United States	99.00	FC
US-TEMCO BUILDING MAINTENANCE INC (NEW YORK)	United States	99.00	FC
US-TEMCO BUILDING MAINTENANCE INC (CONNECTICUT)	United States	99.00	FC
US-TEMCO FACILITY SERVICES INC	United States	99.00	FC
US-TEMCO FACILITY SERVICES INC (MASSACHUSETTS)	United States	99.00	FC
US-TERMINAL EXTERMINATING INC	United States	99.00	FC
US-SPARTAN SECURITY SERVICES INC	United States	99.00	FC
US-TEMCO FACILITY SERVICES OHIO INC	United States	99.00	FC
US-TEMCO ENGINEERING SERVICES INC (MASSACHUSETTS)	United States	99.00	FC
US-BUILDING MAINTENANCE PRODUCTS INC	United States	99.00	FC
US-TEMCO FACILITY SERVICES INC (CAROLINE DU NORD)	United States	99.00	FC
US-TEMCO FACILITY SERVICES INC (MINNESOTA)	United States	99.00	FC
US - TEMCO FACILITY SERVICES INC (VERMONT)	United States	99.00	FC
US-AETNA INTEGRATED	United States	99.00	FC
US-SUBURBAN CONTRACT CLEANING INC	United States	99.00	FC
US-SUBURBAN BUILDING SERVICES GROUP INC	United States	99.00	FC
US-SUBURBAN MECHANICAL SERVICES INC	United States	99.00	FC
US-OMNI SERVICES OHIO INC	United States	99.00	FC
US-SUBURBAN CONTRACT CLEANING SERVICES OF PENSYLVANIA INC	United States	99.00	FC
US-BRAINTREE BUILDING SERVICES OF RI INC	United States	99.00	FC
US-CENTAUR BUILDING SERVICES INC	United States	99.00	FC
US-CENTAUR BUILDING SERVICES SOUTHEAST INC	United States	99.00	FC
US-CORPORATE MAINTENANCE MANAGEMENT SERVICES LLC	United States	99.00	FC
US-AGS SUBURBAN LLC	United States	99.00	FC

COMPANIES	Country	% INTEREST December 2019	Method of consolidation
US-AGS CENTAUR LLC	United States	99.00	FC
ASIA			
SG-UNICARE HOLDING	Singapore	49.48	FC
SG-ATALIAN SINGAPORE HOLDING Pte Ltd	Singapore	97.02	FC
SG-CLEANING EXPRESS Pte Ltd	Singapore	67.91	FC
SG-EXPRESS PEST SOLUTION Pte Ltd	Singapore	67.91	FC
SG-GREENSERVE & LANDSCAPE Pte Ltd	Singapore	67.91	FC
HK-ATALIAN ASIA HOLDING LIMITED	Hong-Kong	97.02	FC
TH- ATALIAN HOLDING THAILAND	Thailand	97.02	FC
TH-FM ADVANCE SERVICE CO	Thailand	72.76	FC
TH-AGS THAILAND	Thailand	97.02	FC
TH-ATALIAN PGS SECURITY THAILAND CO Ltd	Thailand	77.61	FC
TH-THE GUARDS	Thailand	97.02	FC
TH-PS GUARDS HOLDING SECURITY GUARD Co Ltd	Thailand	97.02	FC
TH-PSS CLEANING AND SERVICE	Thailand	97.02	FC
TH-SECURITY GUARD ARM PROTECTION Co. Ltd	Thailand	97.02	FC
ID-PT ATALIAN INDONESIA	Indonesia	97.22	FC
ID-AGS INDONESIA	Indonesia	97.22	FC
ID-ATALIAN FACILITY SERVICES	Indonesia	97.22	FC
ID-RAFINDO ANUGRAH SUKSES	Indonesia	97.22	FC
ID-AGS CENTRAL JAVA	Indonesia	68.05	FC
MY-ATALIAN MALAYSIA	Malaysia	97.02	FC
MY-HARTA MAINTENANCE Sdn Bhd	Malaysia	82.47	FC
MY-ATALIAN MANAGEMENT SERVICES ASIA Sdn Bhd	Malaysia	97.02	FC
MY-HARTA ENVIRONMENT MAINTENANCE Sdn Bhd	Malaysia	82.46	FC
MY-ATALIAN GLOBAL SERVICES Sdn Bhd	Malaysia	67.91	FC
PH-ATALIAN PHILIPPINES HOLDING Ltd	Philippines	97.02	FC
PH-AGS PHILIPPINES	Philippines	71.21	FC
PH-NORTHCOM	Philippines	68.88	FC
PH-ABLE	Philippines	58.21	FC
MM-AGS	Myanmar	49.48	FC
MM-MYANMAR ASSURANCE Co Ltd	Myanmar	49.48	FC
VN-UNICARE	Vietnam	49.48	FC
VN-ATALIAN COMPANY LTD	Vietnam	97.02	FC
KH-AGS CAMBODIA	Cambodia	54.33	FC
KH - AFM CAMBODIA	Cambodia	63.55	FC
AFRICA			
MU-ATALIAN INTERACTIVE	Mauritius	97.26	FC
MA-ATALIAN MAROC	Morocco	99.00	FC
MA- OPUS RH SARL	Morocco	99.00	FC
MA-ATALIAN SURVEILLANCE	Morocco	99.00	FC
MA-AGS MOROCCO HOLDING	Morocco	59.40	FC
MA-CLEAN-CO SERVICES CENTURY	Morocco	59.40	FC
MA-CLEAN-CO SERVICES VIGILANCE	Morocco	59.40	FC
MA-CLEAN-CO SERVICES ENVIRONNEMENT	Morocco	59.40	FC
MA-EXPERT ENVIRONNEMENT (groupe CLEAN-CO)	Morocco	59.40	FC
MA-MEN' EXPERTS ACADEMY	Morocco	59.40	FC
CI-ATALIAN COTE D IVOIRE	Ivory Coast	63.36	FC

COMPANIES	Country	% INTEREST December 2019	Method of consolidation
CI-QUICK NET AGS	Ivory Coast	63.36	FC
SN-AXESS	Senegal	59.40	FC
SN-AGS SENEGAL	Senegal	59.40	FC
LB-MTO SAL MAINTENANCE	Lebanon	99.14	FC
LB-ATALIAN SWITCH GROUP	Lebanon	50.96	FC
LB-AGS HOLDING LIBAN	Lebanon	100.00	FC
UK			
GB-ATALIAN SERVEST HOLDINGS LIMITED	United Kingdom	100.00	FC
GB - ATALIAN SERVEST JV Ltd (ex Atalian Servest Ltd)	United Kingdom	100.00	FC
GB - ATALIAN SERVEST GROUP HOLD Ltd	United Kingdom	100.00	FC
GB - ATALIAN SERVEST GROUP Ltd	United Kingdom	100.00	FC
GB - SERVEST GROUP Ltd (cleaning)	United Kingdom	100.00	FC
GB - ATALIAN SERVEST PEST CONTROL Ltd (ex-SPP Ltd)	United Kingdom	100.00	FC
GB - ATALIAN SERVEST SECURITY Ltd (ex SSS ltd)	United Kingdom	100.00	FC
GB - ATALIAN SERVEST FOOD CO Ltd (ex-SFC)	United Kingdom	100.00	FC
GB - SERVEST BUILDING SERVICES Ltd	United Kingdom	100.00	FC
GB - ATALIAN SERVEST AMK Ltd	United Kingdom	100.00	FC
GB - ARTHUR McKAY UK Ltd	United Kingdom	100.00	FC
GB - THERMOTECH SOLUTIONS Ltd	United Kingdom	100.00	FC
GB - ENSCO 1194 Ltd	United Kingdom	100.00	FC
GB - FIRE AND AIR SERVICES Ltd	United Kingdom	100.00	FC
GB - OAKWOOD TECHNOLOGY GROUP Ltd	United Kingdom	100.00	FC
GB - OAKWOOD AIR CONDITIONING Ltd	United Kingdom	100.00	FC
GB - THERMOTECH FIRE PROTECTION Ltd	United Kingdom	100.00	FC
GB - THERMOTECH MECHANICAL SERVICES Ltd	United Kingdom	100.00	FC
GB - ALPHA FACILITIES MANAGEMENT	United Kingdom	100.00	FC
GB - KNOWSLEY POLYBAGGING Ltd	United Kingdom	100.00	FC
GB - AKTRION MANUFACTURING SUPPORT SERVICES Ltd	United Kingdom	100.00	FC
GB - ATALIAN SERVEST INTEGRATED SOLUTIONS Ltd (ex-MMS)	United Kingdom	100.00	FC
GB - QE INTERNATIONAL Ltd	United Kingdom	100.00	FC
GB - ATALIAN SERVEST Ltd (corporate)	United Kingdom	100.00	FC
IE - SERVEST IRELAND Ltd	Ireland	100.00	FC
COMPANIES ACCOUNTED FOR BY THE EQUITY METHOD			
CITY SERVICES	France	50.00	EA
LU - BOTEGA INVESTCO SARL (GETRONICS)	Luxembourg	27.18	EA
ES - TECNICAS LOGISTICAS SISTEMAS E INGENIERI	Spain	35.00	EA
SK-EUROCLEAN SLOVAKIA s.r.o	Slovakia	50.00	EA
RO-FIRST FACILITY IMOBILE SRL	Romania	44.55	EA
MY-HARTA MAINTENANCE (PENANG) Sdn Bhd	Malaysia	23.78	EA
MY-HARTA MAINTENANCE (BORNEO) Sdn Bhd	Malaysia	16.49	EA
SG-RAMKY CLEANTECH SERVICES Pte Ltd	Singapore	25.23	EA

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