LA FINANCIÈRE ATALIAN 2020

FINANCIAL REPORT

ATALIAN
GLOBAL SERVICES

FINANCIAL REPORT

LA FINANCIÈRE ATALIAN

INVESTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis summarises the significant factors affecting our results of operations and financial condition during the year ended 31 December 2020. The historical information discussed below for the Group is as of and for the year ended 31 December 2020 and is not necessarily representative of the Group's results of operations for any future period or our financial condition at any future date. We have prepared the audited consolidated financial statements for the Group from 1 January 2020 to 31 December 2020 included herein in accordance with IFRS.

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

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

1. OVERVIEW

We are a leading independent provider of outsourced building services. As at 31 December 2020, we operated in 36 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.

From 2009 to 2018, we experienced growth mainly through the acquisition both inside and outside of France of companies with services, expertise and geographical scope that are complementary to our own but also organically. In particular, in France, we significantly expanded our operations through the acquisitions in 2009 of Veolia Propreté Nettoyage et Multiservices ("VPNM"), a cleaning services provider with a significant portfolio of large corporate customers, and Eurogem, a multi-service provider of outsourced building services. Our expansion in France since 2014 included the acquisition of various entities specialising in cleaning services, including Vitsolnet, HEI, Net'Express, Facilicom Services 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 specialising in cleaning services. Our acquisitions have allowed us to expand our service offering and expertise to include a broad range of outsourced building services.

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

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

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

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

In line with this strategy, the Group refocused its strategy on its core businesses, and introduced a divestment program for non-core activities, as part of which it sold its Landscaping activities in 2019 and Ramky Cleantech in Singapore in 2020.

2020 was a challenging year for most industries in light of the Covid-19 crisis, and the Group experienced a global slow-down in activity, primarily driven by interruptions in activities due to lockdowns and restrictions in certain end markets. The Group has been working closely with its customers to offer relevant solutions to face this crisis and to develop new cleaning standards and services.

In 2020, we had a total revenue of €2,808.8 million, EBITDA (see Section 2 "Financial information–– Management financial measures") of €218.3 million, and we recorded a net result of €(5.6) 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 2020 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

Reporting segment

We have the three following reporting segments:

- France: This segment includes all the companies operating in France, in our cleaning activity as well as other business lines including facility management.
- UK: This segment includes all the companies operating in the UK and Ireland.
- 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 (except for UK), 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 2020 was as follows:

- **France:** In 2020, our France segment generated €1,289.9 million, or 45.9%, of our consolidated revenue (decrease of 5.4% compared to €1,363.1 million, or 44.6% of our consolidated revenue, in 2019). The two business lines that generated revenue in France were cleaning and facility management:

  - Cleaning

  We offer cleaning and associated services, which include periodic cleaning of offices and retail outlets and specialised cleaning services in the health, food-processing, transportation, manufacturing and other industries in France. In 2020, our cleaning business in France generated €953.0 million of revenue (an increase of 1.7% compared to €937.2 million in 2019).

  - Facility Management

  Our facility management businesses include multi-technical and multi-service management, safety and security, reception services and others. We also offer bundled facility management services, while reception services are provided through our cooperation with

City One. In 2020, our facility management business generated €336.9 million of revenue (a decrease of 20.5% compared to €424.0 million in 2019).

- **UK:** In 2020, our UK segment generated €701.1 million, or 24.9%, of our consolidated revenue (an decrease of 11.9% compared to €796.0 million, or 26.0% of our consolidated revenue, in 2019). Our UK segment is a provider of facilities management services based in the United Kingdom operating the following main divisions: cleaning, catering, security, technical services and projects and integrated solutions.
- **International:** In 2020, our International segment generated €820.5 million, or 29.2%, of our consolidated revenue (a decrease of 9.1% compared to €902.7 million, or 29.5% of our consolidated revenue, in 2019). As at 31 December 2020, we operated in 34 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 €2.7 million in 2020 (compared to net losses of €3.3 million in 2019).

4. ACQUISITIONS AND DIVESTMENTS

Overview

From 2009 to 2018, external growth contributed significantly to the growth of our business, notably with expansion of our business into the United Kingdom, the United States, West and North Africa and Southeast Asia.

Acquisitions

In July 2020, the Group acquired a share of 70% in the Indian company Ramky ATALIAN PVT LTD. This acquisition did not have a significant impact on the Group's 2020 revenue and EBITDA.

There was no other significant acquisition of companies during this period.

Disposals/deconsolidation

2020

Atalian divested of two entities in Poland. These divestments generated revenues of €5.6 million and €1.2 million in 2019, on a full-year basis, respectively.

2019

- Atalian completed the disposal of the Landscaping business activities in October 2019. Landscaping contributed €66.0 million euros to our consolidated revenue and €6.7 million to our consolidated EBITDA in 2019 income statement, and therefore the disposal affected the reported changes in the Group's 2020 revenue and EBITDA year-on-year.
- Atalian terminated the shareholders' agreement relating to Ramky Cleantech Singapore in the third quarter of 2019, which led to a loss of control. For the year ended 31 December 2019, Ramky Cleantech Singapore contributed €33.9 million to our consolidated revenue and €3.7 million to our consolidated EBITDA, and therefore this termination affected the reported changes in the Group's 2020 revenue and EBITDA year-on-year.

5. RESULTS OF OPERATIONS FOR FISCAL YEAR ENDED 31 DECEMBER 2019 AND 31 DECEMBER 2020

Results of operations

in millions of euros	For the twelve months ended 31 December 2019	2020
REVENUE	**3,058.5**	**2,808.8**
Raw materials & consumables used	(715.8)	(626.8)
External expenses	(127.1)	(103.6)
Staff costs	(1,984.6)	(1,833.6)
Taxes (other than on income)	(30.1)	(33.6)
Other operating income and expenses	2.5	7.0
EBITDA	**203.4**	**218.3**
Depreciation and amortisation, net	(106.3)	(97.0)
Provisions and impairment losses, net	(9.3)	(7.6)
CURRENT OPERATING PROFIT	**87.8**	**113.6**
Other operating income & expenses	(10.1)	(13.0)
OPERATING PROFIT	**77.7**	**100.6**
Financial debt cost	(83.1)	(83.5)
Income from cash and cash equivalents	1.2	0.8
NET FINANCIAL DEBT COST	**(81.9)**	**(82.7)**
Other net financial expenses	(3.9)	(8.8)
NET FINANCIAL EXPENSES	**(85.8)**	**(91.4)**
Income tax expense	(14.0)	(14.7)
Share of loss of equity-accounted companies	(106.1)	0.0
NET INCOME (LOSS) FROM RECURRING OPERATIONS	**(128.2)**	**(5.6)**
Net loss from discontinued operations	(0.8)	-
LOSS FOR THE PERIOD	**(129.0)**	**(5.6)**

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 31 December 2019	2020
France	1,363.1	1,289.9
UK	796.0	701.1
International	902.7	820.5
Other [1]	(3.3)	(2.7)
TOTAL REVENUE	**3,058.5**	**2,808.8**

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

Revenue decreased by €249.7 million, or 8.2%, to €2,808.8 million in 2020 as compared to €3,058.5 million in 2019. The decrease was mainly attributable to a decrease in revenue from existing operations due to the Covid-19 related restrictions and lockdowns, as well as the divestment of the Landscaping division and the impact of the deconsolidation of Ramky Cleantech in the fourth quarter of 2019. When excluding the changes in perimeter and currency exchange rate effects, the decrease in revenue from existing operations was limited to €113.9 million in 2020, a decrease of 3.7% compared to 2019, principally due to increases in revenues generated by our cleaning and security businesses in response to increased customer demand due to the Covid-19 pandemic. From a geographic perspective, there were disparities between our regions of operation reflecting the varying scope of activities applicable to each region and the varying levels of restrictions and measures applied in such regions to contain the pandemic.

Revenue by segment:

France. France segment revenue decreased by €73.2 million, or 5.4%, to €1,289.9 million in 2020 as compared to €1,363.1 million in 31 December 2019. The decrease reflected a sharp contraction in revenue during the first quarter of 2020 followed by recovery beginning in the third quarter and confirmed during the fourth quarter (with an increase of 3.8% in the fourth quarter of 2020 compared with the same period in the prior year, on a like-for-like basis) despite a second lockdown in France in November, due to increased activity in our cleaning business.

Revenue from our cleaning business increased by €15.8 million, or 1.7%, to €953.0 million in 2020 as compared to €937.2 million in 2019. Performance in cleaning activities in France benefitted from additional revenue generated by one-off services and the development of new cleaning standards and services, as well as significant contract wins. The trend during the fourth quarter indicates strong recovering acceleration with 6.8% growth.

Revenue from other activities, including Facility Management, decreased by €87.1 million, or 20.5%, to €336.9 million in 2020 as compared to €424.0 million in 2019. This decrease was mainly due to (i) the divestment of the landscaping division which generated a decrease in revenue of €66.0 million, (ii) a decrease in revenue from existing operations of 5.5%, principally due to the Covid-19 pandemic during the first three quarters of the year.

UK. The UK segment revenue decreased by €94.9 million, to €701.1 million in 2020, as compared to €796.0 million in 2019, a decrease of 11.9%, principally due to the impact of the Covid-19 pandemic on our catering business, with canteen closures at client sites and application of home-working policies, and delayed tenders in our Projects and Integrated Solutions business. This decrease was partly offset by organic growth in our cleaning and security businesses, mainly due to new services offering and significant contract wins.

International. International segment revenue decreased by €82.2 million, or 9.1%, to €820.5 million in 2020, as compared to €902.7 million in 2019.

This decrease was partly explained by the impact of the deconsolidation of Ramky Cleantech in the fourth quarter of 2019 (a company which generated €33.9 million of revenue during the first nine months of 2019). Excluding the impact of that deconsolidation of Ramky Cleantech, the decrease in revenue was 2.1% year-on-year, mainly due to organic growth in Asia (+5.4% in 2020 compared to 2019), with a strong focus on the cleaning business, and in Benelux, with new contract sales offsetting the negative impact of the Covid-19 pandemic, notably in the catering business.

In the United States, one-off janitorial services partly offset sales loss.

The Central & Eastern Europe regions reported decreases in revenue mainly as a result of negative FX effects.

Other. In addition, our Corporate costs amounted to a net loss of revenue of €2.7 million in 2020 as a result of the elimination of inter-segment transactions.

Raw materials & consumables used

Raw materials & consumables used decreased by €89.0 million, or 12.4%, from €715.8 million in 2019 to €626.8 million in 2020. This decrease was principally linked to procurement savings resulting from supplier renegotiations, as well as a favourable activity mix for reduced purchases in the context of a reduction of activity in our facility management and technical services businesses, notably in the UK, in the context of the Covid-19 pandemic. The decrease was partly offset by higher recourse to temporary workers in the cleaning business, due to higher demand in connection with the Covid-19 pandemic.

As a percentage of revenue, raw materials & consumables used represented 22.3% of our revenue in 2020, as compared to 23.4% of our revenue in 2019.

External expenses

As reported, external expenses decreased in 2020 at €103.6 million in 2020 compare to €127.1 million in 2019, representing 3.7% of our revenue (as compared to 4.2% in 2019). As percentage of revenue, this decrease was partly explained by lower travel and other expenses due to Covid-19 restrictions, but also cost saving initiatives.

Staff costs

Staff costs decreased by €151.0 million, or 7.6%, from €1,984.6 million in 2019 to €1,833.6 million in 2020. This decrease was mainly attributable to (i) partial unemployment schemes in France and in the UK, (ii) restructuring in the UK (projects) and France. As a percentage of revenue, payroll costs slightly increased from 64.9% in 2019 to 65.3% in 2020, due to the higher contribution of the cleaning activity in the Group's revenue, partly offset by (i) partial unemployment and furlough schemes; (ii) such improvements as entering into profitable new contracts with higher profit margins; and (iii) restructuring initiatives to restore profitability, notably in Multitech in the UK.

Taxes (other than on income)

Taxes other than on income increased by €3.5 million, or 11.6%, from €30.1 million in 2019 to €33.6 million in 2020. As a percentage of revenue, taxes other than on income remained relatively stable from 1.0% in 2019 as compared to 1.2% in 2020.

Other recurring operating income and expenses

Other operating income increased by €4.6 million, from a gain of €2.4 million in 2019 to a gain of €7.0 million in 2020. The increase was mainly due to gains from disposals of assets.

EBITDA

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

	For the twelve months ended 31 December	
in millions of euros	**2019**	**2020**
France	133.0	144.0
UK	50.6	50.3
International	55.0	63.8
Other[1]	(35.2)	(39.8)
EBITDA	**203.4**	**218.3**

[1] *Elimination of holding company activities and intragroup transactions (see section 3 "overview of reporting segment" for further details)*

As reported, EBITDA increased by €14.9 million, or 7.3%, to €218.3 million in 2020, as compared to €203.4 million in 2019.

Our EBITDA margin increased to 7.8% in 2020, as compared to 6.6% in 2019, thanks to maintained strong productivity efforts and higher demand in more profitable services.

EBITDA by segment

France. EBITDA for France segment increased by €11.0 million, or 8.3%, to €144.0 million in 2020 as compared to €133.0 million in 2019. EBITDA margin of the France segment increased to 11.2% in 2020, as compared to 9.8% in 2019.

For our cleaning activities, EBITDA increased by €20.6 million, or 20.1%, to €123.2 million in 2020 as compared to €102.6 million in 2019. EBITDA margin of the cleaning business increased to 12.9% in 2020, as compared to 10.9% in 2019, principally due to strict cost management.

For other activities, including facility management, EBITDA decreased by €9.6 million, or 31.6%, to €20.8 million in 2020 as compared to €30.4 million in 2019. This decrease was mainly due to the disposal of the Landscaping activities that generated a decrease of EBITDA of €6.7 million, and the impact of Covid-19 related decreases in revenue. When excluding the disposal of the landscaping activities, the decrease in EBITDA was limited to 9.6% in 2020 compared to 2019.

UK. EBITDA for the UK segment decreased by €0.3 million, or 0.6% to €50.3 million in 2020, as compared to €50.6 million in 2019, mainly as a result of adverse currency exchange effects. On a like-for-like basis, revenue for the UK segment increased slightly (+1.1% compared to 2019), mainly due to margin improvement in the cleaning and security businesses and additional work that widely compensated the negative impact of other activities.

As a percentage of sales, EBITDA margin in the UK segment increased to 7.2% in 2020 compared to 6.4% in 2019.

International. EBITDA for the International segment increased by €8.8 million, or 16.0%, to €63.8 million in 2020, as compared to €55.0 million in 2019. As a percentage of sales, EBITDA margin increased to 7.8% in 2020, as compared to 6.1% in 2019. EBITDA margins improved in all regions, primarily in the US, despite lower activity, primarily due to the relatively higher margin contribution of Covid-19 related one-off janitorial services, in Benelux primarily due to profitable new contracts, and in Asia, on a like-for-like basis, thanks to the development of higher-margin services for disinfection and preventive cleaning, as well as cost-control measures.

Organic growth in the International segment profitability was also adversely affected by the Aktrion Automotive activity which was more severely impacted by the drop of activity.

The deconsolidation of Ramky Cleantech in Singapore in the fourth quarter of 2019, which generated €3.7 million during the first nine months of 2019, as well as the negative impact of currency exchange rate fluctuations, notably in Turkey, affected the profitability of this segment.

Depreciation and amortisation

As reported, depreciation and amortisation decreased by €9.3 million, or 8.7%, from €106.3 million in 2019 to €97.0 million in 2020 as the result of (i) the lower Capex level during the period, and (i) the reduced depreciation of right-of-use related to operating leases, as part of the IFRS 16 treatment, from €50.7 million in 2019 to €46.7 million in 2020.

As a percentage of revenue, depreciation and amortisation is flat and amounted to 3.5% in both 2020 and 2019.

Provisions and impairment losses, net

Provision and impairment losses decreased by €1.7 million, or 17.9%, from €9.3 million in 2019 to €7.6 million in 2020 and mainly relates to aged receivables and litigations.

Current operating profit

As reported, current operating profit increased by €25.8 million, or 29.4%, from €87.8 million in 2019 to €113.6 million in 2020, for the reasons explained above.

Other operating income and expenses

For the twelve months ended 31 December 2020, these costs amounted to €13.0 million and principally included:

(i) Restructuring costs in France and in the UK (ii) The negative impact of the loss on disposal of two entities in Poland, and (iii) exit costs of former managers of the Group.

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 finalisation of the reorganisation of the Group's management, as well as (iii) the negative effect of the deconsolidation of Ramky Cleantech. Those charges were partly offset by the net gain on the disposal of the Landscaping business in October 2019.

Operating profit

Operating profit increased by €22.9 million, or 29.3%, from €77.7 million in 2019 to €100.6 million in 2020, for the reasons explained above.

Net financial expenses

Net financial expenses increased by €5.5 million, from €85.8 million in 2019 to €91.4 million in 2020 mainly as a result of a provision for impairment of a loan note of £4.7 million related to Getronics' debt, and a higher level of unrealised foreign exchange loss.

Income tax expenses

Income tax expenses increased by €0.7 million, or 5.1%, from €(14.0) million in 2019 to €(14.7) million in 2020:

(i) Income tax increased by €11.7 million in 2020;

(ii) Deferred taxes increased by €7.1 million; benefiting from activation of loss carried forward in France

(iii) CVAE decreased by €3.8 million in 2020.

Net income (loss) for the period

Net loss for the period decreased by €123.4 million from €(129.0) million in 2019 to €(5.6) million in 2020, for the reasons stated above.

6. LIQUIDITY AND CAPITAL RESOURCES

Cash flows

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

	For the twelve months ended 31 December	
in millions of euros	2019	2020
Net cash from (used in) operating activities	205.5	327.4
Excluding impact of non-recourse factoring (off-balance sheet)	*120.2*	*300.7*
Net cash used in investing activities	(35.4)	(37.6)
Net cash used in financing activities	(184.2)	(145.7)
Exchange gains (losses) on cash and cash equivalents	(2.9)	(4.0)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(17.0)**	**140.2**

Net cash from (used in) operating activities

	For the twelve months ended 31 December	
in millions of euros	2019	2020
Profit for continuing operations	(128.2)	(5.5)
Adjustment for and elimination of non-cash items	212.7	116.5
Elimination of net finance costs	82.0	82.7
Elimination of income tax expense	17.5	17.8
CASH GENERATED FROM OPERATIONS BEFORE FINANCIAL EXPENSES AND INCOME TAX	**184.0**	**211.4**
Decrease/(increase) in inventories	1.2	(3.4)
Decrease/(increase) in total receivables	119.8	36.1
Increase/(decrease) in payables	(58.7)	104.4
CHANGE IN WORKING CAPITAL	**62.3**	**137.1**
Change in working capital adding back non-recourse factoring (off-balance sheet)	*(22.9)*	*110.4*
Income tax paid	(23.1)	(20.4)
Increase in Factoring deposit	(17.0)	(0.7)
Cash from discontinued operations	(0.7)	(0.1)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	**205.5**	**327.5**
Net cash from (used in) operating activities excluding impact of off-balance sheet factoring of receivables	*120.2*	*300.7*

Cash flow from operating activities is mainly impacted by changes in working capital and other items without a cash effect.

We experienced a net working capital cash inflow of €137.1 million in 2020, as compared to an inflow of €62.3 million in 2019.

When neutralizing the effect of the factoring of receivables not recorded on our balance sheet, our net working capital increased by €110.4 million in 2020.

We experienced an improvement, from a cash perspective, of the net working capital in France, UK and International, primarily benefitting from (i) social and tax payment deferrals, which amounted to approximately €75.0 million as of 31 December 2020, primarily related to social charges, mainly in France, Benelux and in the US, as well as tax payment deferrals, such as VAT, mainly in the UK, and (ii) improvement in underlying working capital as part of better cash management.

In 2020, other cash flows from operating activities are composed by factoring deposits which generated a cash outflow limited to €0.7 million and income tax paid, amounting to €20.4 million in 2020.

Net cash used in investing activities

in millions of euros	For the twelve months ended 31 December 2019	2020
Purchase of fixed assets [1]	(43.3)	(36.9)
Proceeds from sales of fixed assets	3.0	5.8
Purchase of consolidated companies less cash held by subsidiaries acquired	(9.8)	(7.6)
Disposal of consolidated companies (net of cash disposed)	14.2	0.1
Other cash flows from investing activities	(0.2)	1.1
Cash from discontinued operations used in investing activities	0.7	0.0
NET CASH USED IN INVESTING ACTIVITIES	**(35.4)**	**(37.6)**

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

In 2020, the gross capital expenditures (this item does not include leases) slightly decreased at €36.9 million (1.3% of our consolidated revenue in 2020), thanks to limited capex spent as part of the strong cash management during the period.

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 31 December 2019	2020
Proceeds from new borrowings	38.9	76.0
Repayments of borrowings	(142.1)	(142.2)
Finance costs, net [1]	(80.2)	(79.7)
Dividends	(5.1)	0.0
Operations in share capital	0.0	0.0
Other	4.2	0.3
Cash from discontinued operations generated by financing activities	0.1	0.0
NET CASH USED IN FINANCING ACTIVITIES	**(184.2)**	**(145.7)**

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

Net cash generated in financing activities amounted to €156.8 million in 2020. Our financing activities in 2020 consisted primarily of:

- (i) to proceeds of new borrowings of €76.0 million, mainly related to the proceeds of €50 million of debts bank borrowing guaranteed by the French State ("¨Prêt Garanti par l'Etat" - PGE) during the second quarter 2020, in addition of RCF (Revolving credit facility) drawings of €21.0 million during the year 2020;
- (ii) the repayment of borrowings of €142.2 million, mainly related to the payment of €48.1 million of lease portion used during the period (IFRS 16), the repayment of RCF drawings of €75.0 million in 2020, and the repayment of debts from factoring (of which receivables remain consolidated) of €17.9 million;
- €79.7 million of net interest paid on ongoing borrowings (mainly the high yield bonds), including €8.3 million related to the implicit interest portion in the lease payment.
- No dividends had been paid to shareholders of the parent company in 2020.

Net Debt

in millions of euros	For the twelve months ended 31 December 2019	2020
Cash and cash equivalents	89.7	230.7
Short-term bank loans and overdrafts	(2.5)	(3.2)
NET CASH AND CASH EQUIVALENTS	**87.3**	**227.5**
Non-current financial liabilities	(1,339.3)	(1,271.2)
Current financial liabilities	(87.6)	(116.9)
GROSS DEBT	**(1,426.9)**	**(1,388.1)**
Financial instrument (liability)	(3.7)	(1.5)
DEBT	**(1,430.6)**	**(1,389.6)**
NET DEBT	**(1,343.4)**	**(1,162.1)**
Immediate financing provided by deconsolidated receivables	*(139.0)*	*(165.8)*
NET DEBT AFTER ADDING BACK IMMEDIATE FINANCING PROVIDED BY DECONSOLIDATED RECEIVABLES	**(1,482.4)**	**(1,327.9)**

As at 31 December 2020, we had net debt of €1,162.1 million as compared to €1,343.4 million as at 31 December 2019. 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. Lease liabilities amounted to €111.2 million as of 31 December 2020.

The decrease in net debt in 2020 was mainly attributable to the strong generation of free cash flow, benefiting from solid operating performance, working capital management and also impacted by €75.0 million deferred payments related to social charges and taxes, as well as limited capital expenditures.

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 €1,327.9 million as of 31 December 2020, as compared to €1,482.4 million as of 31 December 2019.

In 2020, factoring facilities have been renegotiated, and the amount of trade receivables factored has increased (for CAL&F contract the amount of trade receivables factored has increased by €40.0 million from €180.0 million to €220.0 million, and for CIC contract, trade receivables factored increased by £8.0 million from £27.0 million to £35.0 million).

7. OFF-BALANCE SHEET ARRANGEMENTS

As of 31 December 2020, our off-balance sheet arrangements, as described in Note 15 to the 2020 financial statements, are 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 AND LIQUIDITY

The following table sets forth the aggregate maturities of our financial debt as of 31 December 2020:

Financial liabilities	**Short-term**	**Long-term**		**Total**
in millions of euros	**Due within 1 year**	**Due in 1 to 5 years**	**Due beyond 5 years**	**31/12/20**
- Bonds*	4.7	1,203.7		1,208.4
- RCF	-	-	-	-
- Bank borrowing guaranteed by the French Governement (PGE)	49.6	-	-	49.6
- Finance lease liabilities	45.6	55.3	10.3	111.2
- Factoring loans	10.4	-	-	10.4
- Other borrowings and financial liabilities	6.6	1.9	-	8.5
TOTAL INTEREST-BEARING BORROWINGS AT 31/12/2020	**116.9**	**1,260.9**	**10.3**	**1,388.1**
TOTAL INTEREST-BEARING BORROWINGS AT 31/12/2019	**87.6**	**726.0**	**613.3**	**1,426.9**

** bonds net of issuance costs of €(21.5) million. Issuance costs expensed in 2020 amounted to €(5.3) million.*

Maturity of Term Loan (PGE) classified in current financial debt. The state guaranteed financing ("PGE") of €49.6 million provides an extension option of 1 to 5 years that can be exercised up to mid-April 2021.

As of 31 December 2020, the Group had a liquidity of approximately €420 million, mostly with:

- €227.5 million of cash & cash equivalents net of overdrafts
- €89 million headroom of Factoring facility
- €103 million headroom of Revolving credit facility.

9. DIVIDENDS

In respect of the fiscal year ended 31 December 2019, no dividends had been paid in the 2020 fiscal year to shareholders of the parent company.

10. SHARE CAPITAL AND PRINCIPAL SHAREHOLDERS

At 31 December 2020, 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. 2021 OUTLOOK AND 2022 TARGETS

Exit from the pandemic still remains challenging, with further lockdown restrictions in some of the regions anticipated. We believe this will drag into H2 2021, however we do expect a more favourable second half to the year with a strong sales pipeline underpinning expectations for 2021.

2021 will be another year of progress for the Group.

For 2022, based on the adaptation of both our product offering and cost base, management is confident to achieve its ambitions on margins, liquidity and deleveraging:

- Net sales growth of +4% to +6% p.a.
- EBITDA margin between 8% and 8.5%
- Cash Generation above 50%
- Deleveraging of the Group below 4.0x with equity injection between €200 million and €300 million based on FY2021 published accounts.

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 et du Centre

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, 2020.

Due to the global crisis related to the Covid-19 pandemic, the consolidated financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

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 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, 2020, 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.

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, March 31, 2021

The Statutory Auditors

AUDIT BUGEAUD

Robert Mirri

ERNST & YOUNG Audit

Christine Staub

LA FINANCIÈRE ATALIAN

CONSOLIDATED FINANCIAL STATEMENTS (FOR THE 12 MONTHS YEAR ENDED 31 DECEMBER 2020)

CONSOLIDATED INCOME STATEMENT

in millions of euros

	Note	Period ended 31 December 2020	Period ended 31 December 2019
NET SALES	10	**2,808.8**	**3,058.5**
Raw materials & consumables used		(626.8)	(715.8)
External expenses		(103.6)	(127.1)
Staff costs	11	(1,833.6)	(1,984.6)
Taxes (other than on income)		(33.6)	(30.1)
Other operating income		26.4	19.0
Other operating expenses		(19.4)	(16.6)
OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISION AND IMPAIRMENT LOSS	10/11	**218.3**	**203.4**
Depreciation and amortisation, net	11	(97.0)	(106.3)
Provision and impairment loss, net		(7.6)	(9.3)
CURRENT OPERATING PROFIT		**113.6**	**87.8**
Other operating income & expenses	11	(13.0)	(10.1)
OPERATING PROFIT		**100.6**	**77.7**
Financial debt cost	12.1	(83.5)	(83.1)
Income from cash and cash equivalents	12.1	0.8	1.2
NET FINANCIAL DEBT COST	12.1	**(82.7)**	**(81.9)**
Other net financial expenses	12.2	(8.8)	(3.9)
NET FINANCIAL EXPENSES	12	**(91.4)**	**(85.8)**
Income tax expenses	14	(14.7)	(14.0)
Share of net income (loss) of other equity-accounted entities	3.4	0.0	(106.1)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**(5.6)**	**(128.2)**
Net income (loss) from discontinued operations	2.1.7	-	(0.8)
NET INCOME FOR THE PERIOD		**(5.6)**	**(129.0)**
Attributable to owners of the company		(10.9)	(131.0)
Attributable to non-controlling interests		5.3	2.0

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in millions of euros

	Period ended 31 December 2020	Period ended 31 December 2019
NET INCOME (LOSS) FOR THE PERIOD	(5.6)	(129.0)
OTHER ITEMS OF COMPREHENSIVE INCOME SUBSEQUENTLY RELEASED TO NET INCOME	(27.1)	19.3
Foreign exchange gains & losses	(28.1)	19.3
Income tax expenses on actuarial gains & losses		
OTHER ITEMS OF COMPREHENSIVE INCOME NOT SUBSEQUENTLY RELEASED TO NET INCOME	(3.0)	(6.4)
Acturial gains & losses on pension obligations	(3.0)	(8.5)
Income tax expenses on actuarial gains & losses		2.1
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(31.1)	12.9
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(36.6)	(116.1)
ATTRIBUTABLE TO OWNERS OF THE COMPANY	(40.9)	(118.1)
ATTRIBUTABLE TO NON-CONTROLLING INTEREST PARTIES	4.3	2.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS in millions of euros	Note	Period ended 31 December 2020	Period ended 31 December 2019
Goodwill	3.1	1,032.5	1,066.4
Intangible assets	3.2	68.9	81.3
Property, plant and equipment	3.3	165.2	189.7
Other non-current financial assets	3.5	34.8	41.9
Investments in associates	3.4	1.9	7.5
Deferred tax assets	3.6	87.9	74.2
NON-CURRENT ASSETS		1,391.1	1,461.1
Inventories	4.1	48.8	44.0
Prepayment to suppliers	4.2	4.0	7.0
Trade receivables	4.3	347.4	388.8
Current tax assets		7.3	12.1
Other receivables	4.3	228.2	248.9
Cash and cash equivalents	4.5	230.7	89.7
CURRENT ASSETS		866.3	790.6
Assets held for sale and discontinued operations	2.1.7	0.0	3.3
TOTAL ASSETS		2,257.4	2,255.0

EQUITY AND LIABILITIES in millions of euros	Note	Period ended 31 December 2020	Period ended 31 December 2019
Equity			
- Share capital		116.2	116.2
- Share capital premium		33.5	33.5
- Accumulated deficits		(252.7)	(110.2)
- Translation reserves		(24.5)	2.4
- Net income for the period		(10.9)	(131.0)
Equity attributable to owners of the company		(138.3)	(89.1)
Non-controlling interests		23.8	19.9
TOTAL EQUITY	5	(114.5)	(69.2)
Non current financial liabilities	7	1,271.2	1,339.3
Pensions	6.1	26.8	23.3
Other non-current provisions	6.1	7.5	9.0
Deferred tax liabilities	3.6	10.5	11.7
NON-CURRENT LIABILITIES		1,315.9	1,383.3
Customers prepayment	9.1	15.1	3.9
Current portion of financial liabilities	7	116.9	87.6
Current tax liabilities	9.1	15.7	10.1
Trade payables	9.1	258.3	258.0
Current provisions	6.2	26.0	25.7
Liabilities related to payroll tax credit prefinancing	9.1	98.7	130.3
Other current liabilities	9.1	520.6	417.9
Bank overdrafts and other cash position items	9.2	3.2	2.5
Financial instruments	7.4	1.5	3.7
CURRENT LIABILITIES		1,056.1	939.7
Liabilities related to assets held for sale and discontinued operations	2.1.7	0.0	1.2
TOTAL EQUITY AND LIABILITIES		2,257.4	2,255.0

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros		Period ended 31 December 2020	Period ended 31 December 2019
A - NET CASH FROM OPERATING ACTIVITIES			
Net loss from continuing activities		**(5.5)**	**(128.2)**
Elim. Share of net income (loss) of equity-accounted companies		(0.0)	106.1
Elim. Operating depreciations, Amortisation, provisions & impairment losses		108.3	105.4
Elim. Gains/ losses on disposal		8.2	1.2
Elim. Other non-cash items		(0.0)	(0.0)
Operating cash flow before changes in working capital		**111.0**	**84.5**
Elim. Net finance costs		82.7	82.0
Elim. Income tax expense		14.7	14.0
Elim. Net other financial expenses		3.0	3.5
Operating cash flow before changes in working capital, net financial debts and income tax expenses		**211.4**	**184.0**
Changes in operating working capital (including change in deconsolidated Factoring)		**137.1**	**62.3**
Increase/Decrease in Factoring deposit		**(0.7)**	**(17.0)**
Income taxes paid		**(20.4)**	**(23.1)**
Net operating cash from discontinued operations		**(0.1)**	**0.7**
NET CASH FROM OPERATING ACTIVITIES	A	327.4	205.5
B - NET CASH USED IN INVESTING ACTIVITIES			
Purchases of intangible assets, property, plant & equipment		(36.9)	(43.3)
Proceeds on disposal of intangible assets, property, plant & equipment		5.8	3.0
Purchases of consolidated companies (net of cash acquired)		(7.6)	(9.8)
Sales of consolidated companies (net of cash sold)		0.1	14.2
Other cash flows from investing activities		1.1	(0.2)
Net investing cash from discontinued operations		(0.0)	0.7
NET CASH USED IN INVESTING ACTIVITIES	B	(37.6)	(35.4)
C - NET CASH USED IN FINANCING ACTIVITIES			
Increase in capital		0.0	0.0
Dividends paid during the year		(0.0)	(5.1)
Increase in borrowings		76.0	38.9
Decrease in borrowings		(142.2)	(142.1)
Net financial interest paid		(76.7)	(76.7)
Other financial expenses (not related to net debt)		(3.0)	(3.5)
Other cash flows from financing activities		0.3	4.5
Net financing cash from discontinued operations		0.0	0.1
NET CASH USED IN FINANCING ACTIVITIES	C	(145.7)	(184.2)
IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS	D	(4.0)	(2.9)
CHANGES IN NET CASH AND CASH EQUIVALENTS	(A + B + C + D)	140.2	(17.0)
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		87.3	104.3
Net cash flows for the period		140.2	(17.0)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		227.5	87.3

STATEMENT OF CHANGES IN EQUITY

	Share capital and share premium	Reserves / Retained earnings	Consolidate net income	Foreign exchange reserves	EQUITY attributable to owners of the company	Non controlling interests	TOTAL EQUITY
AS OF 31 DECEMBER 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	(118.2)	2.0	(116.2)
Change in share capital & share premium							
Appropriation of FY 2018 Net income		(65.1)	65.1		0.0		0.0
Dividends paid		(5.1)			(5.1)		(5.1)
Changes in consolidation scope and transactions with non-controlling interests		(2.4)		(0.2)	(2.6)	(28.4)	(31.0)
AS OF 31 DECEMBER 2019	149.7	(110.2)	(131.0)	2.4	(89.1)	19.9	(69.2)
Net income			(10.9)		(10.9)	5.3	(5.6)
Income and expenses recognised directly in equity		(3.0)		(27.1)	(30.1)	(1.0)	(31.1)
TOTAL COMPREHENSIVE INCOME		(3.0)	(10.9)	(27.1)	(41.0)	4.3	(36.7)
Change in share capital & share premium							
Appropriation of FY 2019 Net income		(131.0)	131.0				
Dividends paid							
Changes in consolidation scope and transactions with non-controlling interests		(8.5)		0.2	(8.3)	(0.4)	(8.6)
AS OF 31 DECEMBER 2020	149.7	(252.7)	(10.9)	(24.5)	(138.3)	23.8	(114.5)

APPENDICES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1
GENERAL INFORMATION AND SIGNIFICANT EVENTS

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

FJ International Invest SA, wholly owned by Mr. Franck Julien, is the Group ultimate controlling entity, whose registered office is located at 239 avenue Winston Churchill 1180 Brussels (Uccle) Belgium.

La Financière Atalian – 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, in UK and internationally, in total in 36 countries. La Financière Atalian is owned, in majority, by an intermediate holding: Atalian Holding Development and Strategy (AHDS).

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

At 31 December 2020, 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".

The Group financial statements have been approved by the Chairman on 31 March 2021 and will be submitted for approval at the subsequent annual general meeting.

SIGNIFICANT EVENTS DURING 2020 FINANCIAL YEAR

Sanitary crisis Covid-19

As a result of the unprecedented worldwide sanitary crisis we have experienced in 2020 shortfalls in revenue in all regions with the most significant impacts recorded in the second quarter of 2020. Impacts on our local businesses have widely differed between business segments and were highly dependent on the sectors and industries of our respective clients.

Our operations in countries and segments that generate significant revenues in catering, building project business, hotel and air travel have been most affected by the repeated lockdowns, border closures, travel restrictions and new routines such as working from home.

The agility of our organisation and the strong set of actions taken have paid off and significantly mitigated the impact of the pandemic on our financial results. We have pro-actively reduced our cost base in line with any losses in revenue, mainly through the active management of our workforce and the supply chain, the rigorous management of our operating expenses and contract management.

New business opportunities from the sanitary crisis have been successfully realised particularly in our Cleaning segment, compensating shortfalls in revenues and profitability to a large extent and contributed to achieving our financial targets for the full year 2020.

We also have benefited in several countries from government measures in response to Covid-19 facilities, arrangements and rulings provided by national authorities to assist companies through the crisis. In France, a term loan guaranteed by the French State ("PGE") of €50 million held by Atalian Cleaning has been put in place. This €50 million term loan, signed on 2nd June 2020, has an initial maturity of 1 year, with an up to 5-year extension option that can be exercised up to mid-April 2021.
We have also benefited from the postponement of the deadline for payment of social security contributions and/or taxes in several countries (mainly in France and in the UK). Our liquidity position remained strong throughout 2020.

We expect a strong momentum of our business post crisis. On this basis, management has the strong conviction that it is appropriate to prepare our financial statements under the going concern assumption.

Acquisitions and divestments

The sale of a share of 26% of Ramky Cleantech signed in Q1 has been completed in June 2020. The Group has acquired in July a share of 70% in the Indian company Ramky ATALIAN PVT LTD. As part of a restructuring of our business we have fully divested two entities in Poland.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2020

On 9 March 2021, a shareholders' general meeting of La Financière Atalian approved a contemplated capital reduction in a maximum nominal amount of 3,309,536 euros through the repurchase by La Financière Atalian of a maximum of 3,309,536 of its own shares, followed by the cancellation of the repurchased shares and authorized the President of La Financière Atalian, for a period of twelve months, to carry out the capital reduction and launch a repurchase offer in favour of all shareholders.

The purchase price of each share in the context of the repurchase offer will be set at a price corresponding to the fair value as at 31 December 2020, in accordance with the calculation and determination methods set out in the shareholders agreement entered into between the shareholders of La Financière Atalian on 10 April 2019.

Finally, at the annual General Meeting, the President would propose to shareholders of La Financière Atalian to distribute 5M€ of dividends in 2021.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (IFRS)

2.1 ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Group's consolidated financial statements for the year ended 31st December 2020 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

The Company's accounting policies and methods are unchanged compared to 31 December 2019. The implementation of other amended standards has no material impact on the Consolidated Financial Statements as of 31 December 2020.

Amendment to IFRS 3 "Business Combinations"
The IASB issued amendments to IFRS 3 Business Combinations in October 2018 by providing additional guidance as to when an acquisition would result in a business combination. The new guidance provides a framework to evaluate when an input and a substantive process are present that together significantly contribute to the ability to create outputs. The adoption of the amendments to IFRS 3 has not materially impacted the Group financial statements and they have been applied on a prospective basis.

Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform (Phase 1)"
In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform (Phase 1), effective for annual periods beginning on or after 1 January 2020. These amendments provide a number of temporary reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments did not significantly impact the Group financial statements.

Amendments to IFRS 16 "Covid-19-Related Rent Concessions"
In May 2020, the IASB issued an amendment to IFRS 16 Leases with immediate effect titled "Covid-19-Related Rent Concessions" which provides a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the Covid-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions in profit or loss as if they were not lease modifications. As the Group decided not to apply the practical expedient, the amendment did not impact the Group financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform (Phase 2)"
Following the financial crisis, the reform and replacement of some benchmark interest rates such as LIBOR and other Interbank Offered Rates ("IBORs") has become a priority for global regulators. There is still uncertainty around the timing and precise nature of these changes.
The Phase 2 Amendments are effective for annual periods beginning on or after 1 January 2021 on a retrospective basis.
The Group has assessed that the amendments will not materially impact the financial statements but will monitor closely any changes in the future to ensure contract continuity, address term and credit differences between LIBORs and alternative reference rates and impacts on systems, processes and risk and valuation models.

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 described below.

Leases

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

Revenue recognition

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

Goodwill impairment testing

Goodwill is tested for impairment at least annually, at the same time each year, using the method described in Note 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). As of 31 December 2020, the recoverability of deferred tax assets has been assessed based on the latest operating plan, which has also been used for the purposes of goodwill impairment testing.

Other provisions

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

Use of provisions

When the risk materialises, or the cost is incurred, the provisions previously recognised are reversed and offset the incurred expense under operating profit. For expenses offset by use of provisions refer to Note 6.

Government measures

In response to the Covid-19 pandemic, government implemented social, tax and economic stimulus measures to assist entities. These measures include employment-related measures (e.g. temporary salary subsidies), additional tax deductions and credits, rental reductions or deferrals and below-market rate loans. The governments' measures primarily affecting the Group were temporary salary subsidies in Europe and Asia and a French State guarantee scheme for Large Corporates. The Group analysed all facts and circumstances in relation to these schemes, the impacts of these government measures are mainly recorded in staff costs respectively the Financial Debt cost, using the relevant accounting standards.

2.2 CONSOLIDATION

2.2.1 Financial year-end

The Group's companies have been consolidated based on their financial statements for the twelve-month period ended 31st December 2020. 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 2020 consisted of twelve months.

2.2.2 Consolidation methods and scope of consolidation

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

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated at consolidation level.

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

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

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

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

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

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

Accounting policies of subsidiaries and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Changes in the scope of consolidation

	At 31/12/20	At 31/12/19
Fully consolidated companies	241	256
Companies accounted for by the equity method	5	8
	246	264

The change in the scope of consolidation is mainly driven by the internal merger of Group entities. We have divested two entities in Poland, one entity in Singapore and invested in a majority share of a company in India.

2.2.3 Translation of the financial statements of foreign subsidiaries

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

All resulting exchange differences are recognised under "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 the UK.
Main currencies as of 31 December 2020 and in average in FY 2020 are the followings:

	2020		2019	
Exchange Rates	**Average Rate**	**Closing Rate**	**Average Rate**	**Closing Rate**
Pound Sterling	0.88958	0.89903	0.88167	0.85080
US Dollar	1.1424	1.2271	1.1232	1.1234
CEE				
Czech Koruny	26.4500	26.2420	25.7759	25.4078
Croatin Kuna	7.5381	7.5519	7.4461	7.4395
Hungarian Forint	351.20	363.89	326.90	330.58
Polish Zloty	4.4425	4.5597	4.3147	4.2568
Russian Ruble	82.703	91.467	72.711	69.955
New turkish Lira	8.0541	9.1131	6.4149	6.6843
Asia				
Singapore Dollar	1.5742	1.6218	1.5338	1.5111
Thai Baht	35.704	36.727	34.878	33.415
Indonesian Rupiah	16.626	17.241	15.873	15.625
Malaysian Ringgit	4.7957	4.9340	4.6584	4.5953
Philippine Peso	56.625	59.125	58.194	56.899
Africa & Middle East				
Moroccan Dirham	10.821	10.899	10.806	10.746

2.2.4 Translation of foreign-currency transactions

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

2.2.5 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.

The Group holds derivative financial instruments to hedge its foreign currency risk exposure. As of 31 December 2020, hedge accounting was applied for these derivates.

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

At 31st December 2020, the following swap contracts against euro were in place:

- Currency swap in Sterling Pound (GBP 20.1 million)
- Currency swap in Croatian Kuna (HRK 31.5 million)
- Currency swap in Hungarian Forint (HUF 211.9 million)
- Currency swap in Moroccan Dirham (MAD 6.0 million)
- Currency swap in Polish Zloty (PLN 30.6 million)
- Currency swap in Russian Ruble (RUB 56.4 million)
- Currency swap in Singapore Dollar (SGD 0.8 million)
- Currency swap in Thai Baht (THB 60.5 million)
- Currency swap in Turkish Lira (TRY 7.1 million)
- Currency swap in US Dollar (USD 66.8 million).

Financial instruments are used purely for hedging purposes, are set up with first rank banks and do not present any risk of illiquidity if the hedges need to be unwound.

Reports are regularly provided to the management and supervisory bodies of the companies concerning the use of these instruments, the choice of counterparties, and more generally the exposure to currency risk.

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

The impact of derivative financial instruments on the financial statements is described in Note 8 "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's exposure to foreign exchange risk on current commercial transactions is limited Contracts invoiced in foreign currency give rise to expenses which are mainly denominated in the same currency. This is particularly the case for most projects and services performed outside France, for which the portion of expenses denominated in local currency is much greater than the portion denominated in euros.

As the Group operates in 36 countries, all items in the financial statements are impacted by foreign currency translation and more specifically the change in Pound sterling and US dollar.

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

- if Euro had strengthened by 10% in relation to the Pound sterling, sales and recurring operating profit before amortisation, depreciation and provisions published at 31 December 2020 would have been lower by €70.1 and €5.0 million respectively.
- if Euro had strengthened by 10% in relation to the US Dollar, sales and recurring operating profit before amortisation, depreciation and provisions published at 31 December 2020 would have been lower by €18.8 and €1.4 million 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 periodically assesses counterparty risk. Consequently, only financial transactions with leading financial institutions are authorised.

Credit risk

Credit risk arises from the probability that the Group's customers may default, requiring a write-off of the related trade receivables.

The Group considers the credit risk on its trade receivables to be 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 €264.9 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".

2.2.6 Related parties

The parties considered as related to the Group, as well as the material transactions carried out with these parties during FY 2020, are as follows:

- The members of the Group's governance bodies (management board).
- The non-trading property companies that are managed by the Company's Chairman and which lease buildings to the Group. The rent related payments under these leases amounted to €2.3 million in FY 2020.
- In addition, the security deposits paid to the non-trading property companies amounted to €2.0 million at the year-end 2020.
- €0.9 million in trademark fees and €12.2 million in (i) management fees, 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 €1.8 million in FY 2020, and external expenses with this supplier amounted to €33.5 million in FY 2020.
- The Group has current cash account under the cash advance agreement with Atalian Holding Development & Strategy which is a component of cash and cash equivalents for €8.3 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 nor recognised any debt in relation with puts entered into by AHDS as it is not a party to these agreements from a legal standpoint.

2.2.7 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.

2.3 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 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.

For the purpose of impairment testing, goodwill is allocated to each Cash-Generating Unit (CGU) 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.

An impairment loss is recognised if the net book value of the Cash-Generating Unit (CGU) is greater than its recoverable amount. If applicable, an impairment loss recognised 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.

The value in use of the CGU is determined using Discounted Cash Flows (D.C.F.). At 31 December 2020, 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 December 2020 and at 31 December 2019 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 tested CGU and approved by the Group's governance bodies. Medium term business plans and normative cash flow used for the determination of the terminal value are prepared on a pre-IFRS 16 basis, with the operating leases expected rent expense impacting the discounted cash-flows. Key drivers of the cash flows projections are the relevant assumptions on organic growth, EBITDA margin ratio, working capital and capital expenditure.
- 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 December 2020 and at 31 December 2019). 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 located in the UK and Ireland,
- An International CGU, comprising all companies outside France, UK and Ireland and the Aktrion sub-group.

3.1.1 Movements

in millions of euros	Gross	Impairment	Net
31 DECEMBER 2018	1,070.4	(4.4)	1,066.0
Goodwill finalisation	10.9		10.9
Impact of changes in Group structure and others	(34.5)	0.1	(34.4)
Impact of exchange rates	23.9		23.9
31 DECEMBER 2019	1,070.7	(4.3)	1,066.4
Goodwill finalisation			
Impact of changes in Group structure and others	(2.1)	0.2	(1.9)
Impact of exchange rates	(32.0)		(32.0)
31 DECEMBER 2020	1,036.6	(4.1)	1,032.5

3.1.2 Breakdown of goodwill by CGU

in millions of euros	31/12/20	31/12/19
France	443.6	443.5
UK	400.8	424.4
International	188.2	198.5
TOTAL	1,032.5	1,066.4

3.1.3 CGU impairment testing

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

in millions of euros

	31/12/20	31/12/19
FRANCE CGU		
Carrying value	€179 m	€377 m
Cash-flow projections	4 -year business plan + terminal value	4 -year business plan + terminal value
Discount rate	8.0%	8.6%
Long-term growth rate	2.0%	2.0%
UK CGU		
Carrying value	€501 m	€587 m
Cash-flow projections	4 -year business plan + terminal value	4 -year business plan + terminal value
Discount rate	8.8%	9.2%
Long-term growth rate	2.0%	2.0%
INTERNATIONAL CGU		
Carrying value	€227 m	€340 m
Cash-flow projections	4 -year business plan + terminal value	4 -year business plan + terminal value
Discount rate	9.3%	10.0%
Long-term growth rate	2.0%	2.0%

No impairment losses were recorded at 31 December 2020, as the recoverable amount of each CGU exceeded the carrying amount of their carrying value. 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, with a potential impairment to be booked for the CGU UK.

Sensitivity as of 31 December 2020 in millions of euros	WACC Impact of +0.5%	Long-term growth Impact of -0.5%
FR	(62.5)	(51.3)
UK	(38.0)	(30.5)
International	(52.6)	(41.5)

The Group is exposed to the economic developments in the United Kingdom. Our operations in the UK contributed €701.1 million to the Group Revenues and €50.3 million to the Operating Income before Depreciation, Amortisation, Provision and Impairment Loss and have been more impacted by the pandemic crisis and strict lockdown measures than the other two segments due to a higher contribution from contracts with clients in the Catering, Projects and Hospitality business.

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.

GROSS in millions of euros	Software, licences, patents and similar rights	Other intangible assets	TOTAL
31 DECEMBER 2018	43.2	88.9	132.1
Currency Translation differences	0.2	3.8	4.0
Transfer and other movements	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	(0.0)	(0.9)	(0.9)
31 DECEMBER 2019	47.5	91.4	138.9
Currency Translation differences	(0.4)	(5.0)	(5.4)
Transfer and other movements	(4.5)	(0.0)	(4.5)
Changes in Group structure	(0.0)	(0.0)	(0.0)
Acquisitions	5.6	3.7	9.3
Disposals, reductions and others	(0.0)	(3.6)	(3.6)
31 DECEMBER 2020	48.1	86.5	134.6

AMORTISATION AND IMPAIRMENT in millions of euros	Software, licences, patents and similar rights	Other intangible assets	TOTAL
31 DECEMBER 2018	**(29.7)**	**(16.7)**	**(46.4)**
Currency Translation differences	(0.1)	(0.8)	(0.9)
Transfer and other movements	(0.0)	0.2	0.2
Changes in Group structure	0.1	2.7	2.8
Disposals, reductions and others	0.0	0.9	0.9
Depreciation expense	(4.9)	(9.3)	(14.2)
31 DECEMBER 2019	**(34.6)**	**(23.0)**	**(57.6)**
Currency Translation differences	0.3	1.4	1.7
Transfer and other movements	1.7	(0.7)	1.0
Changes in Group structure	(0.0)	0.0	0.0
Disposals, reductions and others	0.0	3.6	3.6
Depreciation expense	(5.2)	(9.3)	(14.5)
31 DECEMBER 2020	**(37.9)**	**(27.9)**	**(65.7)**

NET in millions of euros	Software, licences, patents and similar rights	Other intangible assets	TOTAL
31 DECEMBER 2019	**12.9**	**68.4**	**81.3**
31 DECEMBER 2020	**10.3**	**58.6**	**68.9**

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 €104.8 million held under leases were capitalized in property, plant and equipment. Further information on leases and related Right-of-use are disclosed in note 13.

GROSS in millions of euros	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
31 DECEMBER 2018	74.2	191.2	88.5	108.4	1.6	463.9
Currency Translation differences	0.8	2.3	1.3	1.5	0.0	5.9
Modifications and reassesments of leases	(0.3)	(2.4)	(0.2)	0.9	(1.0)	(3.0)
Changes in Group structure	(6.6)	(14.5)	(10.4)	(3.3)	(0.0)	(34.8)
Acquisitions	42.1	31.5	31.9	17.3	1.1	123.9
Disposals, reductions and others	(17.4)	(20.4)	(27.1)	(21.8)	(0.0)	(86.7)
31 DECEMBER 2019	92.8	187.7	84.0	103.0	1.7	469.2
Currency Translation differences	(1.8)	(4.3)	(2.3)	(2.9)	(0.1)	(11.5)
Modifications and reassesments of leases	(12.4)	2.2	(19.4)	(3.6)	(0.9)	(34.1)
Changes in Group structure	0.0	0.0	(0.0)	(0.0)	(0.0)	0.0
Acquisitions	17.2	16.6	25.8	14.3	1.1	75.0
Disposals, reductions and others	(5.6)	(13.1)	(3.7)	(10.2)	(0.1)	(32.6)
31 DECEMBER 2020	90.2	189.2	84.3	100.5	1.8	466.0

DEPRECIATION AND IMPAIRMENT in millions of euros	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
31 DECEMBER 2018	(23.7)	(132.0)	(42.9)	(75.0)		(273.6)
Currency Translation differences	(0.2)	(1.3)	(0.5)	(0.9)	(0.0)	(2.9)
Modifications and reassesments of leases	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)
31 DECEMBER 2019	(24.7)	(134.9)	(45.3)	(74.5)	(0.1)	(279.5)
Currency Translation differences	0.4	2.8	1.1	1.8	0.0	6.1
Modifications and reassesments of leases	10.5	(1.3)	17.6	2.4	-	29.2
Changes in Group structure	(0.0)	(0.0)	0.0	0.0	-	0.0
Disposals, reductions and others	0.6	12.3	3.7	9.3	-	25.9
Depreciation expense	(14.3)	(26.9)	(24.6)	(16.8)		(82.6)
31 DECEMBER 2020	(27.6)	(148.0)	(47.5)	(77.7)	(0.1)	(300.8)

NET in millions of euros	Land, buildings, real estate	Plant and equipment	Vehicles and transport equipment	Others	Assets under construction and prepayments to suppliers	TOTAL
31 DECEMBER 2019	68.1	52.8	38.7	28.5	1.6	189.7
31 DECEMBER 2020	62.6	41.2	36.8	22.8	1.7	165.2

3.4 INVESTMENTS IN ASSOCIATES

INVESTMENTS IN ASSOCIATES in millions of euros	TOTAL
31 DECEMBER 2019	7.5
Transfers, share issues and other movements	6.6
Translation of foreign subsidiaries differences	1.0
31 DECEMBER 2020	1.9

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.
- Other financial assets, mainly composed of loans and receivables attached to equity interests are classified as amortised cost.

Recognition and measurement

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell the asset.
A financial asset is derecognised when the Group's contractual rights to receive cash flows from the asset have expired or the Group has transferred the financial asset to a third party without retaining control or substantially all of the risks and rewards of ownership of the asset.
Financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit, transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs for financial assets classified as at fair value through profit are expensed in the income statement.
A financial asset is classified as a current asset when the cash flows from the instrument are expected to be received within one year.
The amortised cost of a financial asset is the amount at which the asset was initially recognised minus principal repayments, plus or minus the cumulative amortisation calculated using the effective interest method of any difference between that initial amount and the maturity amount.
For instruments quoted in an active market, fair value corresponds to a market price. For instruments not quoted in an active market, fair value is determined using valuation techniques. Valuation techniques include using recent arm's length market transactions or transactions in other instruments that are substantially the same, discounted cash flow analysis and option pricing models. In so far as possible, they include inputs based on observable market data.

Factoring security deposits concern factoring contracts that transfer substantially all the risks and rewards of ownership of the underlying receivables to the factoring company (see Notes 7.1 and 7.2).
Other non-current financial assets amount to €34.8 million as of 31 December 2020 and is mainly composed of factoring security deposits and other receivables.

in millions of euros	Factoring security deposits	Investments in non-consolidated companies and related receivables	Other receivables	Total gross value	Amortisation and impairment	Net
31 DECEMBER 2018	**4.8**	**0.7**	**20.7**	**26.3**	**(1.1)**	**25.2**
Changes in Group structure		(0.0)	(0.8)	(0.8)		(0.8)
Currency Translation differences	0.0		0.6	0.7	(0.0)	0.6
Transfer and other movements		(0.6)	8.4	7.8	0.1	7.9
Disposals, reductions and others	0.5	(0.0)	(10.0)	(9.5)	(0.3)	(9.8)
Additions and reversals	16.5		2.3	18.8	0.1	18.9
31 DECEMBER 2019	**21.8**	**0.1**	**21.2**	**43.1**	**(1.2)**	**41.9**
Changes in Group structure	0.0	0.0	0.1	0.1	0.0	0.1
Currency Translation differences	(0.1)	(0.0)	(1.6)	(1.6)	0.0	(1.6)
Transfer and other movements	0.0	0.0	(0.5)	(0.5)	0.4	(0.2)
Disposals, reductions and others	(5.2)	(0.0)	(8.2)	(13.4)	(0.8)	(14.2)
Additions and reversals	5.9	0.0	1.4	7.3	1.4	8.7
31 DECEMBER 2020	**22.4**	**0.1**	**12.5**	**34.9**	**(0.3)**	**34.8**

3.6 NON-CURRENT TAX ASSETS AND LIABILITIES

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

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

Temporary differences between the tax bases of assets and liabilities and their carrying amounts may arise as a result of the following:

— Sources of future taxation (deferred tax liabilities): mainly corresponding to income on which taxation has been deferred.
— Sources of future deductions (deferred tax assets): mainly relating to provisions that are temporarily non-deductible for tax purposes, as well as tax loss carry forwards where the realisation of the related tax benefit through future taxable profits is probable.

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

Deferred taxes are recognised at the tax rate prevailing at the reporting date, adjusted where appropriate to take into account the effect of any changes in tax laws. The effect of any change in rates of corporation tax is included in either the income statement or in equity, depending on the initial method of recognition of the deferred tax concerned.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

3.6.1 Main sources of deferred taxes by nature

in millions of euros	31/12/20	31/12/19
DEFERRED TAX ASSETS	87.9	74.2
. Tax loss carryforwards	78.9	60.3
. Employee benefits	6.0	7.0
. Other Temporary differences	2.5	6.0
. Other sources of deferred tax assets	0.6	1.0
DEFERRED TAX LIABILITIES	10.5	11.7
. Other sources of deferred tax liabilities	10.5	11.7
TOTAL	77.4	62.5

Deferred tax assets on tax loss carry forward relate mainly to France for €66.0 million, UK for €10.6 million and for US for €2.4 million.

Deferred tax liabilities relate to customer relationships recognised as part of the acquisition of SERVEST UK for €9.5 million and TEMCO US €0.9 million.

3.6.2 Recovery periods for deferred tax assets

in millions of euros	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)	30.5	36.2	21.2	0.0	87.9

The recovery periods for deferred tax assets are based on the Group's taxable profit forecasts at 31 December 2020.

3.6.3 Tax base of unrecognised deferred tax assets

in millions of euros	31/12/20	31/12/19
France (historical tax consolidation)	10.2	98.0
France (other and companies not included in the tax group)	60.4	0.0
International	88.9	31.3
TOTAL	159.5	129.3

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 in our Multitech divisions in the UK and France.

INVENTORIES	31/12/20			31/12/19		
in millions of euros	Gross	Impairment	Net	Gross	Impairment	Net
Raw materials/supplies and finished products	8.4	(0.0)	**8.3**	9.9	(0.1)	**9.8**
Work-in-progress	40.4	-	**40.4**	34.2	-	**34.2**
TOTAL	48.8	(0.0)	48.8	44.1	(0.1)	44.0

4.2 PREPAYMENTS

PREPAYMENTS	31/12/20			31/12/19		
in millions of euros	Gross	Impairment	Net	Gross	Impairment	Net
Prepayments to suppliers	4.0		**4.0**	7.0		**7.0**
TOTAL	4.0		4.0	7.0		7.0

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 (see note 7.3 Factoring), a majority of factoring receivables for which substantially all the risks and rewards of ownership are transferred to the factoring companies are derecognised.

The details of these receivables as of 31 December 2020 are disclosed in note 7 - "Non-current and current financial debts".

in millions of euros	31/12/20 Gross	31/12/20 Impairment	31/12/20 Net	31/12/19 Gross	31/12/19 Impairment	31/12/19 Net
TRADE RECEIVABLES [1]	367.8	(20.4)	347.5	406.7	(17.9)	388.8
OTHER RECEIVABLES:	228.2		228.2	248.9		248.9
- Employees	4.4		4.4	3.5		3.5
- Social security bodies	14.9		14.9	3.7		3.7
- Tax other than on income	151.9		151.9	185.9		185.9
Other operating receivables	171.1		171.1	193.1		193.1
Accrued Rebates from Suppliers	4.3		4.3	12.6		12.6
Other receivables	22.0		22.0	24.9		24.9
Prepaid expenses	30.7		30.7	18.3		18.3
TOTAL TRADE AND OTHER RECEIVABLES	596.0	(20.4)	575.5	655.6	(17.9)	637.7

[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 31 DECEMBER 2020

in millions of euros	Amounts not past due	Amounts past due < 12 months	Amounts past due > 12 months	Total
Trade receivables	319.6	34.3	13.9	**367.8**
TOTAL TRADE RECEIVABLES	319.6	34.3	13.9	367.8

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 Group 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 €8.3 million as at 31 December 2020.

in millions of euros	31/12/20 Gross	31/12/20 Impairment	31/12/20 Net	31/12/19 Gross	31/12/19 Impairment	31/12/19 Net
Cash	226.7		**226.7**	86.4		**86.4**
Marketable securities	4.0		**4.0**	3.3		**3.3**
TOTAL CASH AND CASH EQUIVALENTS	230.7		230.7	89.7		89.7

The Group's cash and cash equivalents are primarily in euros.
At 31 December 2020, cash and cash equivalent that are not available for use by the Group amounted to €18.2 million, mainly in Asia and Eastern Europe.

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

NOTE 5
EQUITY

5.1 SHARE CAPITAL AND SHARE CAPITAL PREMIUM

	31/ 12/18	Decrease	Increase	31/12/19
Shares (number)	116,237,206			116,237,206
Numbers of shares outstanding	**116,237,206**	-	0	**116,237,206**
Par value	€1		€1	€1
SHARE CAPITAL IN €	**116,237,206**	-	0	**116,237,206**

	31/12/19	Decrease	Increase	31/12/20
Shares (number)	116,237,206			116,237,206
Numbers of shares outstanding	**116,237,206**	-	0	**116,237,206**
Par value	€1		€1	€1
SHARE CAPITAL IN €	**116,237,206**	-	0	**116,237,206**

On 9 May 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 15 June 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 31 December 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 31 December 2019 and 2020, 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 2020, 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	31/12/19	Change	31/12/20
Czech koruna	(0.3)	(0.7)	(1.0)
Indonesian rupiah	(1.0)	0.4	(0.6)
Turkish lira	(5.8)	(1.1)	(6.9)
Malaysian ringgit	(1.6)	(0.1)	(1.7)
US dollar	0.3	(1.8)	(1.5)
Pound sterling	11.2	(18.6)	(7.4)
Singapore dollar	0.5	(0.4)	0.1
Others	(0.9)	(4.4)	(5.4)
TOTAL	**2.4**	**(26.8)**	**(24.5)**

NOTE 6
NON-CURRENT AND CURRENT PROVISIONS

6.1 PROVISIONS RELATED TO PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

Employment benefits concerned are:
- Post retirement pension plans: mainly in France, UK, Belgium, Philippines and Poland
- 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 2019 and 2020 is as follows:

in millions of euros	As of 31/12/20			As of 31/12/19		
	Pensions	Other Employee Benefit Obligations	TOTAL	Pensions	Other Employee Benefit Obligations	TOTAL
France	26.1		26.1	22.7		22.7
UK *	-	-	-	-	-	-
US		6.5	6.5		7.1	7.1
Turkey		1.0	1.0		1.9	1.9
Other	0.7		0.7	0.6		0.6
TOTAL	**26.8**	**7.5**	**34.3**	**23.3**	**9.0**	**32.3**

** 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 recognised in equity.
Mains actuarial assumptions used in 2020 are:

France	As of 31/12/20	As of 31/12/19
Discount rate*	0.50%	0.77%
Salary increase rate (including inflation rate)	2.0% for white collars and 1.5% for blue collars**	2.0% for white collars and 1.5% for blue collars**
Life expectancy	INSEE 2014-2016	INSEE 2018

** 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 31 December 2020.
The discount rate used in 2020 for the valuation of this scheme is 1.5% versus 2.0% in 2019.

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 31/12/20	Total as of 31/12/19
Provision for Workers Compensation	3.5	3.9
Provision for General Litigation	3.0	3.3
Total Other long-term liability	**6.5**	**7.1**

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 or for reason other than resignation or misconduct.

The Group grants employee benefits to each employee who has qualified for such benefits as the employment ended.
This scheme is qualified as other long-term liability provision with an amount of €1.0 million as of 31 December 2020 (€1.9 million as of 31 December 2019).

in millions of euros

CHANGE IN NET AMOUNT RECOGNISED	IFC France	Other countries	Total as of 31/12/20	Total as of 31/12/19
NET AMOUNT RECOGNISED AT THE BEGINNING OF PERIOD *	22.7	0.6	23.3	25.9
Change of perimeter *			-	(10.3)
Net periodic pension cost	1.5	0.1	1.6	1.7
OCI (Remeasurements)	3.1		3.1	8.1
Company contributions			-	(0.3)
Benefit paid	(1.1)		(1.1)	(0.9)
Acquisitions / Disposals			-	(0.8)
(Gains)/losses on exchange rates			-	-
NET AMOUNT RECOGNISED AT THE END OF PERIOD	26.1	0.7	26.8	23.3

** The liabilities of US and Turkey are presented separatly in 2020, as other long term.*

in millions of euros

CHANGE IN BENEFIT OBLIGATION	IFC France	Other countries	Total as of 31/12/20	Total as of 31/12/19
PROJECTED BENEFIT OBLIGATION AT BEGINNING OF PERIOD	22.7	2.5	25.2	17.6
Change of perimeter *			-	
Current service cost	1.3	0.2	1.5	1.5
Net interest expense	0.2	0.0	0.2	0.3
Actuarial (gains)/losses on the DBO	3.1	0.1	3.1	8.3
Benefits paid	(1.1)	(0.0)	(1.2)	(1.2)
Past service cost			-	
Settlements		0.0	0.0	
Acquisitions / Disposals			-	(1.0)
(Gains)/losses on exchange rates			-	(0.3)
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	26.1	2.8	28.9	25.2

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

in millions of euros

CHANGE IN PLAN ASSETS	France	Other Countries*	Total as of 31/12/20
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF PERIOD	-	(3.1)	(3.1)
Net interest income		(0.1)	(0.1)
Company contributions		(0.3)	(0.3)
Benefits paid		0.0	0.0
Actuarial (gains)/losses on plan asset		0.0	0.0
Acquisitions / Disposals			-
(Gains)/losses on exchange rates		0.2	0.2
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	-	(3.2)	(3.2)

**UK Only*

in millions of euros

	UK
EFFECT OF ASSETS CEILING AT BEGINNING OF PERIOD	1.0
Net interest income	0.0
Actuarial (gains)/losses on the effect of assets ceiling	(0.0)
(Gains)/losses on exchange rates	
EFFECT OF ASSETS CEILING AT END OF PERIOD	1.0

in millions of euros

EXPECTED BENEFIT PAYMENT	FRANCE
2021	3.3
2022	1.9
2023	2.6
2024	2.8
2025	3.4
2026/2030	8.3
TOTAL	22.3

SENSITIVITY ANALYSIS

The effect of a +/- 0.25% change in the discount rate on the 2020 Defined Benefit Obligations (DBO) in France is as follows:

IN FRANCE in millions of euros	Discount rate - 0.25%	Discount rate + 0.25%
DBO Impact	0.4	(0.4)

6.2 CURRENT PROVISIONS

In accordance with IAS 37 a provision is recognised when at the end of the financial year, there is a current obligation, legal or implicit, of the Group towards a third party resulting from past events and whose settlement should result for the Group in a probable outflow of resources representing economic benefits which can be reliably estimated.

in millions of euros	Legal and labour related cases	Other	TOTAL
31 DECEMBER 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	(2.3)	(3.8)	(6.0)
31 DECEMBER 2019	**13.4**	**12.3**	**25.7**
Currency translation differences	(0.2)	(0.2)	(0.4)
Changes in accounting methods and Group structure	0.2	(0.1)	0.1
Allowances of the period	4.1	3.4	7.5
Releases	(5.1)	(1.7)	(6.8)
31 DECEMBER 2020	**12.3**	**13.7**	**26.0**

Expenses offset by use of provisions for the year ended on 31 December 2020 are as follows:
— Staff costs: €2.0 million (€3.6 million as of 31 December 2019)
— Other recurring operating expenses: €0.4 million (€7.1 million as of 31 December 2019).

NOTE 7
LONG- AND SHORT-TERM FINANCIAL LIABILITIES

7.1 BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

Financial liabilities in millions of euros	Short-term Due within 1 year	Long-term Due in 1 to 5 years	Due beyond 5 years	Total 31/12/20
- Bonds*	4.7	1,203.7		1,208.4
- RCF	-	-	-	-
- Bank borrowing guaranteed by the French Governement (PGE)	49.6	-	-	49.6
- Finance lease liabilities	45.6	55.3	10.3	111.2
- Factoring loans	10.4	-	-	10.4
- Other borrowings and financial liabilities	6.6	1.9	-	8.5
TOTAL INTEREST-BEARING BORROWINGS AT 31/12/2020	**116.9**	**1,260.9**	**10.3**	**1,388.1**
TOTAL INTEREST-BEARING BORROWINGS AT 31/12/2019	**87.6**	**726.0**	**613.3**	**1,426.9**

** bonds net of issuance costs of €(21.5) million. Issuance costs expensed in 2020 amounted to €(5.3) million.*

On 2 June 2020, the Group concluded a Term Loan guaranteed by the French State ("PGE") of €50.0 million with its main banking partners. This €50.0 million term loan has an initial maturity of 1 year, with an up to 5-year extension option than can be exercised up to mid-April.
The Group has a revolving credit facility of €103.0 million maturing in April 2023. As of 31 December 2020 the RCF was not drawn.
As per RCF, LFA shall ensure that the Secured Debt incurred by any member of the Group shall not exceed at any time in aggregate higher of (i) €465.0 million or (ii) 17.5% of the Total Assets.

This financing is subject to a financial covenant based on the Group's consolidated accounts. Secured Leverage Ratio shall not exceed 1.75x. At 31 December 2020 this financial covenant was respected.
On 5 May 2017, the Group issued a €625.0 million bond maturing in 15 May 2024 (i.e. 7 years) and bearing a coupon of 4.0%.
On 9 May 2018, with the acquisition of Servest, the Group issued two new bonds maturing on 15 May 2025 for €350.0 million and £225.0 million, respectively bearing a coupon of 5.125% and 6.625%.
These financings are subject to limited financial covenants based on the Group's consolidated accounts. At 31 December 2020 all these financial covenants were respected.

7.2 CONFIRMED CREDIT LINES

in millions of euros	Confirmed lines	Utilised lines
Bonds*	1,225.3	1,225.3
Bank borrowings**	158.0	55.0
Factoring loans***	264.9	176.1
TOTAL	**1,648.2**	**1,456.4**

** Principal, excluding issuance costs Based on an average market value as of 31 December 2020, the fair value would amount to €1,129.5 million.*
*** of which RCF €103.0 million and PGE €50.0 million*
**** Included €165.8 million of immediate financing from derecognised factoring contracts*

7.3 FACTORING

Several of the Group's subsidiaries sell their trade receivables on a monthly basis under factoring contracts.
In 2020, the UK factoring facility has been increased by £8.0 million from £27.0 million to £35.0 million and converted to non-recourse.
The non-recourse facility of €180.0 million (covering France, Belgium, Czech Republic) has been increased to €220.0 million and extended to September 2022.
At 31 December 2020, 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 totalled €212.1 million at the year-end, providing the Group with €165.8 million of immediate financing with the difference corresponding to €20.9 million security deposit and €25.4 million to factor current account and client payments not yet deducted . The amount of immediate financing provided by deconsolidated receivables was €139.0 million as of 31 December 2019.
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.
Immediate financing provided by these receivables totalled €10.4 million as of 31 December 2020 and €30.5 million as of 31 December 2019.
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 DEBT

in millions of euros	31/12/19	Cash impact Increase	Cash impact Decrease	Non-cash impact & Others	31/12/20
NON-CURRENT FINANCIAL DEBTS	1,339.3		(58.1)	(10.0)	1,271.2
of which debts from bonds	*1,217.3*		*(4.7)*	*(8.9)*	*1,203.7*
of which debts from RCF					
of which debts from leasing	*115.1*		*(48.4)*	*(1.1)*	*65.6*
of which debts from factoring	*-*				*-*
of which debts from others	*6.9*		*(5.0)*		*1.9*
CURRENT FINANCIAL DEBTS	87.6	76.0	(88.8)	42.1	116.9
of which debts from bonds				*4.7*	*4.7*
*of which debts bank borrowing and others**	*57.1*	*76.0*	*(69.9)*	*(6.9)*	*56.3*
of which debts from leasing				*45.6*	*45.6*
of which debts from factoring	*30.5*		*(18.9)*	*(1.3)*	*10.3*
Gross debt	**1,426.9**	**76.0**	**(146.9)**	**32.1**	**1,388.1**
Financial instrument	3.7			(2.2)	1.5
GROSS DEBT INCL. FINANCIAL INSTRUMENT	1,430.6	76.0	(146.9)	29.9	1,389.6

** French State guaranteed loan (PGE) of €50.0 million classified in current financial debt (extension option can be exercised from March 2021 to mid April 2021).*

NOTE 8
CHANGES IN NET DEBT

CHANGES IN NET DEBT

in millions of euros	31/12/20	31/12/19
Cash and cash equivalents	230.7	89.7
Short-term bank loans and overdrafts	(3.2)	(2.5)
NET CASH AND CASH EQUIVALENTS *	**227.5**	**87.3**
Non-current financial liabilities	(1,271.2)	(1,339.3)
of which debts from leasing	*(65.6)*	*(115.1)*
Current financial liabilities **	(116.9)	(87.6)
of which debts from leasing	*(45.6)*	
GROSS DEBT	**(1,388.1)**	**(1,426.9)**
Financial instrument (liability)	(1.5)	(3.7)
DEBT	**(1,389.6)**	**(1,430.6)**
NET DEBT	**(1,162.1)**	**(1,343.4)**

**Net cash and cash equivalents as analysed in the statement of cash flows.*
***Movements for the period mainly correspond to the change in debt resulting from the PGE and from factoring contracts no involving the transfer of substantially all the risks and rewards of ownership.*

Net debt after adding back immediate financing provided by the derecognised factoring contracts of €165.8 million as of 31 December 2020 (€139.0 million as of 31 December 2019) would amount to €(1,327.8) million as of 31 December 2020 (€(1,482.4) million as of 31 December 2019).

NOTE 9
OTHER CURRENT LIABILITIES

9.1 OTHER CURRENT LIABILITIES

in millions of euros	31/12/20	31/12/19
CUSTOMER PREPAYMENTS	15.1	3.9
CURRENT TAX LIABILITIES	15.7	10.1
TRADE PAYABLES	258.3	258.0
DEBTS RELATED TO PRE-FINANCING CICE	98.6	130.3
OTHER CURRENT LIABILITIES	520.7	417.9
Employee-related liabilities	*180.9*	*167.9*
Social Security payables	*153.5*	*97.7*
Other accrued taxes	*148.5*	*119.2*
Other current payables	*31.5*	*28.7*
Deferred income	*6.3*	*4.4*

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 €3.2 million at 31 December 2020 compared with €2.5 million at 31 December 2019. Bank credit balances and current bank overdrafts are mainly held in euros.

NOTE 10
SEGMENT REPORTING

Identification of segments

These divisions are used for the management and internal reporting:
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 and Ireland companies.
- An "International" division, comprising all the companies excluding France, UK and Ireland companies
- "Others", which include intersegment revenue and holding costs.

Segment indicators

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

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

The accounting methods applied for each operating segment are those used for preparing the consolidated financial statements.
The information presented for each operating segment corresponds to "contributive data", i.e. after eliminating inter-segment transactions.

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

	By operating segment				
in millions of euros	France	UK	International	Others*	TOTAL GROUP
PERIOD ENDED 31 DECEMBER 2020					
Revenue	1,289.9	701.1	820.5 **	(2.7)	**2,808.9**
Recurring operating profit before depreciation, amortisation, provisions and impairment losses	144.0	50.3	63.8	(39.8)	**218.3**
** include inter-segment revenue*					
*** of which countries contributing to turnover > 10%*					
United States		*183.8*			
Czech Republic		*86.6*			
Belgium		*106.8*			
PERIOD ENDED 31 DECEMBER 2019					
Revenue	1,363.1	796.0	902.7 **	(3.3)	**3,058.5**
Recurring operating profit before depreciation, amortisation, provisions and impairment losses	133.0	50.6	55.0	(35.2)	**203.4**
** include inter-segment revenue*					
*** of which countries contributing to turnover > 10%*					
United States		*210.2*			
Czech Republic		*101.7*			
Belgium		*92.9*			

NOTE 11
OPERATING PROFIT

Turnover

The turnover is mainly generated by the provision of services to the occupants (cleanliness, security) 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 realisation of which is carried out as the contract progresses, so that the performance obligation is satisfied at a point in time and generally invoiced on a monthly basis. These services are generally recognised using the billing method when the Group charges a fixed price for each hour of service provided. Thus, revenue is recognised at the time the service is rendered, i.e. when the performance obligation is satisfied under IFRS 15.

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 analysed over the term of the contracts (the impact of changes in estimate is recorded in the period in which they are incurred):

- if the invoiced amount is greater than the recognised turnover, a contract liability is recognised.
- if the revenue is lower than the recognised turnover on the progress, a contract asset is then recorded.

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

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 recognised 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 recognised under the billing method. In addition, the costs of obtaining contracts are not significant.

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

Operating profit

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.

Employment costs

in millions of euros	2020	2019
Wages and other employment-related expense - I	(1,828.0)	(1,982.2)
of which wages and salaries	*(1,528.3)*	*(1,656.9)*
of which employer social contributions	*(262.5)*	*(289.7)*
of which contributions to defined contribution plans	*(15.6)*	*(12.9)*
of which other employment related expenses	*(21.6)*	*(22.7)*
Profit-sharing and incentive plans - II	(5.6)	(2.4)
TOTAL	**(1,833.6)**	**(1,984.6)**

Depreciation and amortisation

in millions of euros	2020	2019
Intangible assets	(6.4)	(5.5)
Property, plant and equipment	(82.1)	(92.1)
of which D&A own property PP&E	*(35.6)*	*(41.4)*
of which amortisation of rights of use	*(46.5)*	*(50.7)*
D&A Acquired through business combination	(8.6)	(8.7)
TOTAL	**(97.0)**	**(106.3)**

Other 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 2020, other operating expenses represented a charge of €13.0 million.

The breakdown by different types of costs and divisions is as below:

in millions of euros	Total Group
Restructuring costs	-9.2
DOE Litigation (US)	-0.5
Profit/Loss on disposal of subsidiary	-2.6
Other operating income and expenses	-0.7
TOTAL	**-13.0**

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 and interest received on available cash.
- Other financial income and expenses.

12.1 BREAKDOWN OF NET FINANCE DEBTS COST

in millions of euros	31/12/20	31/12/19
Financial expenses	(83.5)	(83.1)
Financial income	0.8	1.2
NET FINANCIAL DEBTS COST	(82.7)	(81.9)
Analysis:		
- Net interest on borrowings	(75.2)	(74.5)
- Income from cash and cash equivalents	0.8	1.2
- Interest on leases	(8.2)	(8.6)
TOTAL	(82.7)	(81.9)

12.2 BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros	31/12/20	31/12/19
Dividends received from non-consolidated companies	-	-
Net (additions to)/reversals of provisions for financial items	(5.7)	(0.4)
Foreign exchange gains and losses	(3.2)	(2.3)
Other	0.2	(1.2)
OTHER FINANCIAL INCOME AND EXPENSES	(8.8)	(3.9)

NOTE 13
LEASES

The Group has chosen to apply these two capitalization exemptions proposed by the standard:
- contracts with a lease term of less than 12 months
- contracts with value of underlying assets of less than €5,000. Expenses relating to contracts with a term of less than 12 months and/or with a value of less than €5,000 and (for which the Group has chosen exemptions which are provided for in IFRS 16) represent: €9.6 million for the Group as a whole as at 31 December 2020.

The lessee is required to record:
- a non-current asset representing the right to use the lease asset (on the assets side of the consolidated statement of financial position)
- a financial debt represented the obligation to pay this right (on the liabilities side of the consolidated statement of financial position)
- depreciation expenses and interest expenses in the consolidated income statement.

Duration of assets assumptions:
The lease term for Real estate contracts corresponds to the non-cancellable period and is supplemented with the option of renewal (or termination) for certain contracts of which the exercise for the Group is considered reasonably certain.

Discount rate assumptions:
A unique discount rate is determined for each portfolio of homogeneous contracts. Discount rates are based on the marginal borrowing rate (or implicit rate of contracts where available) by currency, taking into account, in particular, the economic environments specific to each geographical area.

13.1 FIXED ASSETS

The tangible and intangible assets held by the Group are allocated as below:

in millions of euros	31/12/20
Tangible assets excluding Right-of-use	60.4
Right-of-use	104.8
TOTAL	**165.2**
Intangible assets	68.9
TOTAL	**68.9**

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

13.2 BREAKDOWNS OF RIGHT-OF-USE

GROSS in millions of euros	**Real estate**	**Vehicles**	**Materials & equipment**	**Others**	**TOTAL**
31 DECEMBER 2019	**73.7**	**57.2**	**31.1**	**1.4**	**163.5**
Currency Translation differences	(1.4)	(1.4)	(0.2)	(0.1)	(3.1)
Inter-item transfers	1.0	0.9	0.2	1.1	3.2
Changes in Group structure					
Acquisitions	17.1	24.6	7.2	0.8	49.6
Disposals, reductions and others	(14.4)	(19.5)	(1.3)	(1.1)	(36.3)
31 DECEMBER 2020	**76.1**	**61.8**	**37.0**	**2.0**	**176.9**

AMORTISATION AND LOSS OF VALUE in millions of euros	**Real estate**	**Vehicles**	**Materials & equipment**	**Others**	**TOTAL**
31 DECEMBER 2019	**(18.3)**	**(22.7)**	**(13.3)**	**(0.5)**	**(54.8)**
Currency Translation differences	0.3	0.4	0.1	0.0	0.9
Inter-item transfers	(0.1)	(0.3)	(0.0)	(0.3)	(0.8)
Changes in Group structure					
Depreciation expense	(13.5)	(22.1)	(10.2)	(0.6)	(46.4)
Disposals, reductions and others	10.6	16.9	1.2	0.5	29.1
31 DECEMBER 2020	**(21.0)**	**(27.8)**	**(22.3)**	**(0.9)**	**(72.1)**

NET in millions of euros	**Real estate**	**Vehicles**	**Materials & equipment**	**Others**	**TOTAL**
31 DECEMBER 2019	**55.4**	**34.5**	**17.9**	**0.9**	**108.7**
31 DECEMBER 2020	**55.1**	**34.0**	**14.7**	**1.1**	**104.8**

NOTE 14
INCOME TAX EXPENSE

CVAE

In accordance with IAS 12, the Group has elected to classify the CVAE contribution (A French tax based on a contribution on the added value) as an income tax and therefore to recognise the CVAE expense under the "Income tax expense" line in the consolidated income statement.

14.1 BREAKDOWN OF THE NET TAX CHARGE

	31/12/20			31/12/19		
in millions of euros	France	Other countries	Total	France	Other countries	Total
Current income taxes	(5.9)	(10.8)	(16.6)	(0.3)	(4.7)	(5.0)
Deferred taxes	10.4	5.3	15.7	(1.5)	10.1	8.6
CVAE	(13.8)	-	(13.8)	(17.6)	-	(17.6)
TOTAL	(9.3)	(5.5)	(14.7)	(19.4)	5.3	(14.0)

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

in millions of euros	2020	2019
Net income from continuing operations	(5.5)	(128.2)
Income taxes	(14.7)	(14.0)
Income from equity-accounted entities		(106.1)
Pre-tax income excl. Equity entities	9.2	(8.1)
French corporate income tax rate	32.02%	34.43%
THEORETICAL TAX EXPENSE	(2.9)	2.8
Difference between French and foreign income tax rates	(4.7)	(5.8)
Permanent differences	1.3	8.3
Change in unrecognised deferred tax assets	3.2	(5.8)
Other	(2.6)	(2.0)
INCOME TAX EXPENSE	(5.7)	(2.5)
Other taxes (CVAE)	(9.0)	(11.5)
TOTAL INCOME TAX EXPENSE	(14.7)	(14.0)

Under new French tax legislation, tax losses carried forward are only available to offset against the first €1 million of annual taxable profit, plus 50% of taxable profit exceeding that amount.

The portion that cannot be offset in a given year may, however, be carried forward to subsequent years in which the losses will be offset subject to the same conditions (i.e. offset against €1 million in taxable profit + 50% of taxable profit for the year > €1 million).

In the case of a tax consolidation group, this rule is applicable at the level of the head of the tax group.

The Atalian Group has three tax groups in France ("La Financière Atalian", "Atalian Cleaning", "Atalian Sécurité"), as well as tax groups in the UK and the US.

NOTE 15
OFF-BALANCE SHEET COMMITMENTS

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

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

15.1 GUARANTEE COMMITMENTS

in millions of euros	31/12/20	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Pledges, mortgages and collateral	5.4	3.5	0.0	1.9
Guarantees and endorsements given	41.1	29.5	5.1	6.4
TOTAL GUARANTEE COMMITMENTS GIVEN	**46.5**	**33.0**	**5.1**	**8.3**

When the expiry date of guarantees and endorsements given is not specified, they have been classified as "due within 1 year".
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.

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	31/12/20	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Commitments from factoring companies [1]	264.9	6.0	258.9	0.0
RCF [2]	103.0	0.0	103.0	0.0
TOTAL MISCELLANEOUS CONTRACTUAL COMMITMENTS RECEIVED	**367.9**	**6.0**	**361.9**	**0.0**

[1] of which €176.1 million have been used
[2] not drawn as at 31 December 2020

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 €75.0 million. This amount was increased to €98.0 million on 24 July 2018 and then to €103.0 million on 9 January 2019."

A number of 1,422,732 shares in the capital of LFA SAS, which represent 1.22% of the share capital, are pledged by GSH4 Investments Ltd to the benefit of one of its creditors.

NOTE 16
HEADCOUNT

AVERAGE NUMBER OF EMPLOYEES (FULL-TIME EQUIVALENT)

	2020	2019
France:		
- Managers	713	727
- Supervisors	6,509	6,764
- Other employees	24,538	24,743
TOTAL FRANCE	**31,760**	**32,234**
INTERNATIONAL (EXCLUDING UK):	**52,359**	**57,611**
TOTAL AVERAGE NUMBER OF EMPLOYEES	**100,785**	**113,926**
includ. UK (full & part-time):*	*16,666*	*24,081*

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

NOTE 17
OTHER NOTES

17.1 BREAKDOWN OF STATUTORY AUDITORS' FEES

2020 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.

	31/12/20			31/12/19		
in millions of euros	Bugeaud	EY	Total	Bugeaud	EY	Total
Audit of individual or consolidated accounts by the Statutory Auditors or members of their network						
- La Financière ATALIAN	0.3	0.3	**0.6**	0.2	0.2	**0.4**
- Subsidiaries	0.6	2.4	**3.0**	0.7	2.0	**2.7**
Services other than auditing provided by the Statutory Auditors or members of their network *						
- La Financière ATALIAN	-	-	**-**	-	-	**-**
- Subsidiaries	-	-	**-**	-	-	**-**
TOTAL	0.9	2.7	3.6	0.9	2.2	3.1
- La Financière ATALIAN	0.3	0.3	**0.6**	0.2	0.2	**0.4**
- Subsidiaries	0.6	2.4	**3.0**	0.7	2.0	**2.7**

** Non-audit services mainly include services required by legal and regulatory texts; services relating to agreed-upon procedures; certifications; services provided during the acquisition or disposal of entities; and technical consultations on accounting, taxation or any other audit-related topic.*

17.2 LITIGATION AND CLAIMS

A dispute and litigation between Atalian and its minority shareholder with regard to the shareholding of Harta Maintenance Company is ongoing.

NOTE 18
LIST OF CONSOLIDATED ENTITIES

Companies	Country	% INTEREST Dec-20	Method of consolidation
FULLY CONSOLIDATED COMPANIES			
FRANCE			
STRUCTURE			
LA FINANCIÈRE ATALIAN	France	100,00	FC
ATALIAN	France	100,00	FC
ATALIAN SERVICES INFORMATIQUES (Ex At inf & Qualité)	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 FJ PART INVEST France	France	100,00	FC
SCI CRÉTEIL	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 FACILITIES	France	100,00	FC
DPS	France	90,50	FC
FINANCIÈRE DES SERVICES	France	90,50	FC
APS HOLDING	France	90,50	FC
VPS	France	90,50	FC
LIMPA	France	90,50	FC

Companies	Country	% INTEREST Dec-20	Method of consolidation
BBA	France	90,50	FC
EFFI SERVICE	France	90,50	FC
SOGEPARK	France	90,50	FC
SOGEPARK PREMIUM	France	90,50	FC
SECURITY			
ATALIAN SÉCURITÉ	France	100,00	FC
LANCRY PROTECTION SÉCURITÉ (LPS)	France	100,00	FC
LANCRY FORMATION	France	100,00	FC
ATALIAN SÛRETÉ	France	94,84	FC
AIRPORT PASSENGERS & FREIGHT SECURITY	France	94,13	FC
ATALIAN SÉCURITÉ TECHNOLOGIQUE	France	94,84	FC
SURVEILLANCE HUMAINE ARMÉE PRIVÉE	France	100,00	FC
AFPS LYON	France	94,13	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 SA	Belgium	100,00	FC
BE-GREEN KITCHEN	Belgium	50,81	FC
BE-ATALIAN BUIDING SOLUTIONS NV	Belgium	100,00	FC
BE-ATALIAN GLOBAL SERVICES HOLDING	Belgium	100,00	FC
LU-ATALIAN GLOBAL SERVICES Luxembourg	Luxembourg	100,00	FC
LU-ATALIAN EUROPE	Luxembourg	100,00	FC
LU-MTO Luxembourg	Luxembourg	100,00	FC

Companies	Country	% INTEREST Dec-20	Method of consolidation
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	89,10	FC
NL-VISSCHEDIJK BV	Netherlands	89,10	FC
NL-VISSCHEDIJK FACILITAIR BV	Netherlands	89,10	FC
NL-VISSCHEDIJK CATERING BV	Netherlands	89,10	FC
NL-VISSCHEDIJK SCHOONMAAK NO BV	Netherlands	89,10	FC
NL-VISSCHEDIJK SCHOONMAAK+ BV	Netherlands	89,10	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 HOLDING	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	99,00	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	99,00	FC
RU-ATALIAN GLOBAL SERVICES	Russia	97,02	FC
RU-ATALIAN ENGINIEERING	Russia	50,72	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	73,74	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	69,50	FC
RS-MOPEX TEKUCE ODRZAVANJE D.o.o.	Serbia	69,50	FC
BA-ATALIAN GLOBAL SERVICES BH d.o.O. Sarajevo	Bosnia	97,23	FC
BA-ATALIAN GLOBAL SERVICES Banja Luka	Bosnia	97,23	FC
GB - AKTRION HOLDINGS ltd	United Kingdom	100,00	FC
GB - AKTRION GROUP Ltd	United Kingdom	100,00	FC

Companies	Country	% INTEREST Dec-20	Method of consolidation
GB - AKTRION MANUFACTURING SUPPORT SERVICES Ltd	United Kingdom	100,00	FC
GB - AKTRION GASSER UK Ltd	United Kingdom	100,00	FC
GB - QE INTERNATIONAL Ltd	United Kingdom	100,00	FC
FR - AKTRION FRANCE SAS	France	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
USA			
US-ATALIAN GLOBAL SERVICES INC	United States	99,00	FC
US-TEMCO SERVICE INDUSTRIES INC	United States	99,00	FC
US-TEMCO BUILDING MAINTENANCE INC (PENNSYLVANIE)	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
US-AGS CENTAUR LLC	United States	99,00	FC
ASIA			
SG-ATALIAN GLOBAL SERVICES VIETNAM Pte Ltd	Singapore	50,49	FC
SG-ATALIAN SINGAPORE HOLDING Pte Ltd	Singapore	99,00	FC
SG-CLEANING EXPRESS Pte Ltd	Singapore	69,30	FC

Companies	Country	% INTEREST Dec-20	Method of consolidation
SG-EXPRESS PEST SOLUTION Pte Ltd	Singapore	69,30	FC
SG-GREENSERVE & LANDSCAPE Pte Ltd	Singapore	69,30	FC
HK-ATALIAN ASIA HOLDING LIMITED	Hong-Kong	99,00	FC
TH- ATALIAN HOLDING THAILAND	Thailand	99,00	FC
TH-ATALIAN FACILITIES MANAGEMENT Co	Thailand	74,25	FC
TH-AGS THAILAND	Thailand	99,00	FC
TH-ATALIAN PGS SECURITY THAILAND CO Ltd	Thailand	79,19	FC
TH-THE GUARDS	Thailand	99,00	FC
TH-PS GUARDS HOLDING SECURITY GUARD Co Ltd	Thailand	99,00	FC
TH-PSS CLEANING AND SERVICE	Thailand	99,00	FC
TH-SECURITY GUARD ARM PROTECTION Co. Ltd	Thailand	99,00	FC
ID-PT ATALIAN INDONESIA	Indonesia	99,00	FC
ID-AGS INDONESIA	Indonesia	99,00	FC
ID-ATALIAN FACILITY SERVICES	Indonesia	99,00	FC
ID-RAFINDO ANUGRAH SUKSES	Indonesia	99,00	FC
ID-AGS CENTRAL JAVA	Indonesia	69,30	FC
ID-ATALIAN PEST MANAGEMENT	Indonesia	99,00	FC
SG-ATALIAN ASIA HOLDING LIMITED	Malaysia	99,00	FC
MY-ATALIAN MALAYSIA	Malaysia	99,00	FC
MY-HARTA MAINTENANCE Sdn Bhd	Malaysia	84,15	FC
MY-ATALIAN MANAGEMENT SERVICES ASIA Sdn Bhd	Malaysia	99,00	FC
MY-HARTA ENVIRONMENT MAINTENANCE Sdn Bhd	Malaysia	84,14	FC
MY-ATALIAN GLOBAL SERVICES Sdn Bhd	Malaysia	69,30	FC
PH-ATALIAN PHILIPPINES HOLDING Ltd	Philippines	98,99	FC
PH-AGS PHILIPPINES	Philippines	72,66	FC
PH-NORTHCOM	Philippines	50,29	FC
PH-ABLE	Philippines	59,39	FC
MM-AGS	Myanmar	50,49	FC
MM-MYANMAR ASSURANCE Co Ltd	Myanmar	50,49	FC
VN-ATALIAN GLOBAL	Vietnam	50,49	FC
VN-ATALIAN COMPANY LTD	Vietnam	99,00	FC
KH-AGS CAMBODIA	Cambodia	55,44	FC
KH - AFM CAMBODIA	Cambodia	64,85	FC
IN - AGS FACILITIES PRIVATE LTD	India	99,00	FC
IN - RAMKY ATALIAN PVT LTD	India	69,30	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

Companies	Country	% INTEREST Dec-20	Method of consolidation
CI-ATALIAN CÔTE D'IVOIRE	Ivory Coast	63,36	FC
CI-QUICK NET AGS	Ivory Coast	63,36	FC
SN-AXESS	Senegal	63,40	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 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 - SERVEST PEST CONTROL Ltd	United Kingdom	100,00	FC
GB - ATALIAN SERVEST SECURITY Ltd	United Kingdom	100,00	FC
GB - ATALIAN SERVEST FOOD CO Ltd	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 - 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 - SERVEST AKTRION Ltd	United Kingdom	100,00	FC
GB - ALPHA FACILITIES MANAGEMENT	United Kingdom	100,00	FC
GB - ATALIAN SERVEST INTEGRATED SOLUTIONS Ltd	United Kingdom	100,00	FC
GB - ATALIAN SERVEST Ltd	United Kingdom	100,00	FC
IE - SERVEST IRELAND Ltd	Ireland	100,00	FC
COMPANIES ACCOUNTED BY EQUITY METHOD			
CITY SERVICES	France	50,00	EA
LU - BOTEGA INVESTCO SARL (GETRONICS)	Luxembourg	27,18	EA
RO-FIRST FACILITY IMOBILE SRL	Romania	44,55	EA
MY-HARTA MAINTENANCE (PENANG) Sdn Bhd	Malaysia	23,83	EA
MY-HARTA MAINTENANCE (BORNEO) Sdn Bhd	Malaysia	16,49	EA

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