

LA FINANCIÈRE ATALIAN

UNAUDITED INTERIM
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2021



ATALIAN
GLOBAL SERVICES

LA FINANCIÈRE ATALIAN

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

in millions of euros

	Period ended 30 September 2021 unaudited	Period ended 30 September 2020 unaudited
NET SALES	2,151.9	2,069.2
Raw materials & consumables used	(466.2)	(454.7)
External expenses	(82.6)	(78.3)
Staff costs	(1,417.8)	(1,348.0)
Taxes (other than on income)	(24.7)	(24.1)
Other operating income and expenses	4.0	2.3
OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISION AND IMPAIRMENT LOSS	164.6	166.4
Depreciation and amortisation, net	(66.3)	(72.3)
Provision and impairment loss, net	(1.9)	(3.5)
CURRENT OPERATING PROFIT	96.3	90.6
Other operating income & expenses	(14.8)	(5.3)
OPERATING PROFIT	81.5	85.3
Financial debt cost	(62.3)	(62.1)
Income from cash and cash equivalents	0.4	0.4
NET FINANCIAL DEBT COST	(61.9)	(61.7)
Other net financial expenses	(8.0)	(13.2)
NET FINANCIAL EXPENSES	(69.9)	(74.9)
Income tax expenses	(26.3)	(27.0)
Share of net income (loss) of other equity-accounted entities	0.0	(0.5)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(14.7)	(17.1)
Net income (loss) from discontinued operations	-	-
NET INCOME FOR THE PERIOD	(14.7)	(17.1)
Attributable to owners of the company	(17.7)	(19.9)
Attributable to non-controlling interests	3.1	2.7

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS in millions of euros	Period ended 30 September 2021 unaudited	Period ended 31 December 2020 audited
Goodwill	1,052.9	1,032.5
Intangible assets	68.0	68.9
Property, plant and equipment	158.5	165.2
Other non-current financial assets	47.2	34.8
Investments in associates	0.3	1.9
Deferred tax assets	82.1	87.9
NON-CURRENT ASSETS	1,408.9	1,391.1
Inventories	54.5	48.8
Prepayment to suppliers	7.2	4.0
Trade receivables	368.1	347.4
Current tax assets	8.5	7.3
Other receivables	177.9	228.2
Cash and cash equivalents	156.1	230.7
CURRENT ASSETS	772.3	866.3
TOTAL ASSETS	2,181.2	2,257.4

EQUITY AND LIABILITIES in millions of euros	Period ended 30 September 2021 unaudited	Period ended 31 December 2020 audited
Equity		
- Share capital	114.6	116.2
- Share capital premium	33.5	33.5
- Accumulated results	(288.4)	(252.7)
- Translation reserves	(5.6)	(24.5)
- Net result for the period	(17.7)	(10.9)
Equity attributable to owners of the company	(163.7)	(138.3)
Non-controlling interests	23.3	23.8
TOTAL EQUITY	(140.3)	(114.5)
Non current financial liabilities	1,278.4	1,271.2
Pensions	26.8	26.8
Other non-current provisions	7.7	7.5
Deferred tax liabilities	11.9	10.5
NON-CURRENT LIABILITIES	1,324.9	1,315.9
Customers prepayment	7.5	15.1
Current portion of financial liabilities	116.9	116.9
Current tax liabilities	18.3	15.7
Trade payables	285.3	258.3
Current provisions	27.0	26.0
Liabilities related to payroll tax credit prefinancing	33.1	98.7
Other current liabilities	503.5	520.6
Bank overdrafts and other cash position items	2.5	3.2
Financial instruments	2.6	1.5
CURRENT LIABILITIES	996.6	1,056.1
TOTAL EQUITY AND LIABILITIES	2,181.2	2,257.4

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

in millions of euros

		Period ended 30 September 2021 unaudited	Period ended 30 September 2020 unaudited
A - NET CASH FROM OPERATING ACTIVITIES			
Net income (loss) from continuing activities		(14.7)	(17.1)
Elim. Share of net income (loss) of equity-accounted companies		(0.0)	0.5
Elim. Operating depreciation, amortisation, provision & impairment loss		66.4	80.8
Elim. Gains/ losses on disposal		2.3	9.8
Operating cash flow before changes in working capital		54.0	73.9
Elim. Net finance costs		61.9	61.7
Elim. Income tax expense		26.3	27.0
Elim. Other net financial expenses		7.0	7.3
Operating cash flow before changes in working capital, net financial debts and income tax expenses		149.2	170.0
Changes in operating working capital (including change in deconsolidated Factoring)		(40.6)	35.0
Increase/Decrease in Factoring deposit		1.7	2.5
Income taxes paid		(17.3)	(19.6)
Net operating cash from discontinued operations		0.0	(0.1)
NET CASH FROM OPERATING ACTIVITIES	A	93.0	187.7
B - NET CASH USED IN INVESTING ACTIVITIES			
Purchases of intangible assets, property, plant & equipment		(30.9)	(26.1)
Proceeds on disposal of intangible assets, property, plant & equipment		0.7	5.2
Purchases of consolidated companies (net of cash acquired)		(5.0)	(4.2)
Sales of consolidated companies (net of cash sold)		0.0	0.1
Other cash flows from investing activities		(0.1)	(0.3)
NET CASH USED IN INVESTING ACTIVITIES	B	(35.4)	(25.4)
C - NET CASH USED IN FINANCING ACTIVITIES			
Change in capital		(12.3)	0.0
Dividends paid during the year		(5.0)	0.0
Increase in borrowings		30.6	79.5
Decrease in borrowings		(86.8)	(93.4)
Net financial interest paid		(42.4)	(42.4)
Other financial expenses		(7.0)	(7.3)
Other cash flows from financing activities		(8.3)	(4.6)
NET CASH USED IN FINANCING ACTIVITIES	C	(131.2)	(68.2)
IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS	D	(0.5)	4.0
CHANGES IN NET CASH AND CASH EQUIVALENTS	(A+B+C+D)	(74.0)	98.2
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		227.6	87.3
Net cash flows for the period		(74.0)	98.2
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		153.6	185.5

APPENDICES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

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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.

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 condensed interim consolidated financial statements are unaudited and presented in millions of euros unless otherwise specified.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals provided. All ratios and variances are calculated using the underlying amount rather than the presented rounded amount.

SIGNIFICANT AND SUBSEQUENT EVENTS OF THE FIRST NINE MONTHS OF 2021

Extension of French State Guaranteed Loan

Atalian has exercised on 16 April 2021 the extension option for 1 additional year of the French State Guaranteed Loan of €50 million ('PGE'), the new maturity is June 2022. The loan will be repaid in quarterly installments of €12.5 million each, the first repayment has occurred in September 2021.

Repurchase of minority shares

Following approval in the shareholders' general meeting on 9 March 2021, the Company has bought back 1,630,622 shares for a total amount of €12.4 million and has cancelled the repurchased shares. Following a capital reduction, AHDS holds 98.5% of La Financière Atalian.

Deconsolidation of shareholding in Harta Maintenance Company

A dispute and litigation between Atalian and its minority shareholder with regard to the shareholding of Harta Maintenance Company is ongoing and the Group has decided to deconsolidate its shareholding in this entity as of 1 April 2021.

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Group's consolidated financial statements for the first nine months of the year 2021 are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

2.1 FINANCIAL YEAR-END

The Group's companies have been consolidated based on their financial statements as of 30 September 2021 for a period of 9 months.

2.2 CONSOLIDATION METHODS AND SCOPE OF CONSOLIDATION

2.2.1 Subsidiaries

Subsidiaries are the companies over which La Financière Atalian has control, either directly or indirectly. Control is characterized by power over the investee with the current ability to direct the relevant activities and an exposure or rights to variable returns with the ability to use its power over the investee to affect the amount of the investor's returns. They are consolidated with fully consolidated method, taking into account the existence and effect of the voting rights of non-controlling interests. Control is presumed to exist when the Group has the power to govern an entity's financial and operating policies so as to obtain benefits from its activities, generally 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 9.

2.2.2 Associates

Associates are entities over which the Group has significant influence but not control.

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

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

A list of the Group's associates is provided in Note 9.

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

2.2.3 Other investments

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

2.2.4 Changes in the scope of consolidation

	At 30 Sep 21	At 31 December 2020
Fully consolidated companies	210	241
Companies accounted for by the equity method	3	5
	213	246

The change in the scope of consolidation is mainly driven by the internal merger of Group entities.

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 period. All resulting exchange differences are recognised under “currency translation reserve” in other comprehensive income (OCI).

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.

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.

2.5 FINANCIAL RISKS

For a description of financial risks please refer to the Group's 2020 Annual Report.

2.6 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 net income (loss) 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

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:

- Net sales
- Operating profit before depreciation, amortisation, provision and impairment loss.

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:

in millions of euros	By operating segment				TOTAL GROUP
	France	UK	International	Others*	
PERIOD ENDED 30 SEPTEMBER 2021					
Net sales	1,009.7	561.8	582.4 **	(2.0)	2,151.9
Operating profit before depreciation, amortisation, provision and impairment loss	113.4	41.5	48.6	(38.9)	164.6
* include inter-segment revenue					
** of which countries contributing to turnover > 10%					
			121.4		
			55.5		
			83.1		
PERIOD ENDED 30 SEPTEMBER 2020					
Net sales	942.7	520.5	608.2 **	(2.2)	2,069.2
Operating profit before depreciation, amortisation, provision and impairment loss	105.9	41.1	48.3	(28.9)	166.4
* include inter-segment revenue					
** of which countries contributing to turnover > 10%					
			140.5		
			63.5		
			79.0		

NOTE 4

NET FINANCIAL EXPENSES

This line of the consolidated income statement reflects the impacts of the Group's financing transactions and comprises the following:

- Net financial debt costs, includes interest paid on the Group's borrowings and interests received or paid on available cash.
- Other financial income and expenses.

4.1 BREAKDOWN OF NET FINANCIAL DEBT COST

in millions of euros	30/09/2021	30/09/2020	31/12/2020
Financial expenses	(62.3)	(62.1)	(83.5)
Financial income	0.4	0.4	0.8
NET FINANCIAL DEBT COST	(61.9)	(61.7)	(82.7)
Analysis:			
- Net interest on borrowings	(56.1)	(56.0)	(75.2)
- Income from cash and cash equivalents	0.4	0.4	0.8
- Interest on leases	(6.2)	(6.1)	(8.2)
TOTAL	(61.9)	(61.7)	(82.7)

4.2 BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros	30/09/2021	30/09/2020	31/12/2020
Dividends received from non-consolidated companies	0.0	0.0	0.0
Net (additions to)/reversals of provisions for financial items	(0.7)	(5.9)	(5.7)
Foreign exchange gains and losses	(6.3)	(6.6)	(3.2)
Other	(1.0)	(0.7)	0.2
OTHER FINANCIAL INCOME AND EXPENSES	(8.0)	(13.2)	(8.8)

NOTE 5

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.

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 representing 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.

5.1 FIXED ASSETS

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

in millions of euros	30/09/2021
Tangible assets excluding Right-of-use	58.6
Right-of-use	99.9
TOTAL	158.5
Intangible assets	68.0
TOTAL	68.0

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

5.2 BREAKDOWNS OF RIGHT-OF-USE

GROSS in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2020	76.1	61.8	37.0	2.0	176.9
Currency Translation differences	0.5	1.1	0.0	0.1	1.7
Inter-item transfers	(4.7)	0.0	0.0	0.0	(4.7)
Changes in Group structure	0.0	0.0	0.0	0.0	0.0
Acquisitions	8.2	12.9	16.6	0.5	38.2
Disposals, reductions and others	(5.6)	(12.9)	(1.3)	(0.2)	(20.1)
30 SEPTEMBER 2021	74.5	62.8	52.3	2.5	192.1

AMORTISATION AND LOSS OF VALUE in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2020	(21.0)	(27.8)	(22.3)	(0.9)	(72.1)
Currency Translation differences	(0.1)	(0.4)	(0.0)	(0.0)	(0.6)
Inter-item transfers	1.0	(0.3)	0.0	0.0	0.8
Changes in Group structure	(0.2)	0.0	0.0	0.0	(0.2)
Depreciation expense	(8.9)	(17.3)	(8.4)	(0.7)	(35.3)
Disposals, reductions and others	2.7	11.8	0.5	0.1	15.2
30 SEPTEMBER 2021	(26.5)	(34.0)	(30.3)	(1.5)	(92.3)

NET in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2020	55.1	34.0	14.7	1.1	104.8
30 SEPTEMBER 2021	48.0	28.8	22.0	1.0	99.8

NOTE 6

LONG- AND SHORT-TERM FINANCIAL LIABILITIES

6.1 BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

Financial liabilities in millions of euros	Short-term	Long-term		Total
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	30/09/2021
- Bonds*	19.8	1,219.0	-	1,238.8
- RCF	-	-	-	-
- Bank borrowing guaranteed by the French Government (PGE)	37.6	-	-	37.6
- Finance lease liabilities	46.6	49.7	9.7	106.0
- Factoring loans	1.6	-	-	1.6
- Other borrowings and financial liabilities	11.2	-	-	11.2
TOTAL INTEREST-BEARING BORROWINGS AT 30/09/2021	116.9	1,268.7	9.7	1,395.4
TOTAL INTEREST-BEARING BORROWINGS AT 31/12/2020	116.9	1,260.9	10.3	1,388.1

* bonds net of issuance costs of €(17.4) million. Issuance costs expensed in 2021 amounted to €(4.0) 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. This extension option has been exercised on 16 April 2021 for 1 year extension. The loan will be repaid in quarterly installments, up to 24 June 2022.

At the end of September 2021 the remaining position was €37.6 million including accrued interest.

The Group has a revolving credit facility ("RCF") of €103.0 million maturing in April 2023. As of 30 September 2021 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 as of 31 December and 30 June closings.

On 5 May 2017, the Group issued a €625.0 million bond maturing on 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.

6.2 CONFIRMED CREDIT LINES

in millions of euros	Confirmed lines	Utilised lines
Bonds [*]	1,239.3	1,239.3
Bank borrowings ^{**}	151.4	48.4
Factoring loans ^{***}	266.8	191.5
TOTAL	1,657.5	1,479.2

* Principal, excluding issuance costs. Based on an average market value as of 30 September 2021, the fair value would amount to €1,220.5 million.

** of which RCF €103.0 million and PGE €37.5 million (excluding issuance costs and accrued interests)

*** Included €189.8 million of immediate financing from derecognised factoring contracts

6.3 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 30 September 2021, 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 total €235.8 million at 30 September 2021, giving the Group €189.8 million, in cash with the remaining

€20.9 million corresponding to a security deposit and €25.0 million to factor current account and client payments not yet deducted. The amount of deconsolidated factoring financing was €165.8 million as of 31 December 2020.

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 €1.6 million as of 30 September 2021 and €10.4 million as of 31 December 2020.

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.

6.4 VARIATION OF CURRENT AND NON-CURRENT FINANCIAL DEBT

in millions of euros	31/12/2020	Cash impact		Non-cash impact & Others	30/09/2021
		Increase	Decrease		
NON-CURRENT FINANCIAL DEBT	1,271.2	25.0	(25.0)	7.2	1,278.4
of which debts from bonds	1,203.7	-	-	15.3	1,219.0
of which debts from RCF	-	25.0	(25.0)	-	-
of which debts from leasing	65.6	-	-	(6.2)	59.4
of which debts from factoring	-	-	-	-	-
of which debts from others	1.9	-	-	(1.9)	-
CURRENT FINANCIAL DEBT	116.9	5.5	(61.8)	56.3	116.9
of which debts from bonds	4.7	-	-	15.1	19.8
of which debts bank borrowing and others*	56.3	4.1	(22.4)	10.7	48.7
of which debts from leasing**	45.6	-	(28.8)	30.1	46.6
of which debts from factoring	10.3	1.5	(10.6)	0.4	1.6
Gross debt	1,388.1	30.6	(86.8)	63.5	1,395.4
Financial instrument	1.5	-	-	1.1	2.6
GROSS DEBT INCL. FINANCIAL INSTRUMENT	1,389.6	30.6	(86.8)	64.6	1,398.0

* French State guaranteed loan (PGE) of €37.6 million (including accrued interest) classified in current financial debt (amortized each quarter until 24 June 2022), end of September €12.5 million has been repayed.

** The non cash impact on debt from leasing is related to the new IFRS16 lease contracts in 2021.

NOTE 7

WORKING CAPITAL

BREAKDOWN OF WORKING CAPITAL

in millions of euros	31/12/2020	Cash in / Cash out	Forex	Other (incl. Scope change)	30/09/2021
NET STRICT WC ASSETS	382.7	26.8	8.8	(6.9)	411.5
Inventories	48.8	6.6	1.6	(2.4)	54.6
<i>Inventory: raw mat. and other consumables</i>	6.6	(0.1)	0.2	(0.5)	6.2
<i>Inventory: work-in-progress</i>	40.4	6.1	1.5	(2.0)	46.1
<i>Inventory: finished/semi-finished goods</i>	0.0	0.0	0.0	0.0	0.0
<i>Inventory: goods for resale</i>	1.8	0.6	(0.0)	0.0	2.3
Net customers receivables	333.9	20.2	7.2	(4.4)	356.9
<i>Accounts receivable</i>	496.8	(7.8)	7.0	(6.2)	489.8
<i>Doubtful receivables</i>	13.9	(1.7)	0.0	(0.3)	11.8
<i>Accrued receivables</i>	49.1	42.6	1.2	1.9	94.8
<i>Accounts receivable - Factor</i>	(192.0)	(15.7)	(1.0)	0.0	(208.6)
<i>Advanced payments from customers</i>	(15.1)	7.6	(0.0)	0.0	(7.5)
<i>Customers - Accrued Discounts and credit notes</i>	(18.8)	(4.8)	(0.0)	0.2	(23.5)
NET STRICT WC LIABILITIES	246.7	16.5	3.1	(0.7)	265.6
Net Suppliers payables	246.7	16.5	3.1	(0.7)	265.6
<i>Accounts payable</i>	96.7	(7.8)	1.8	(1.0)	89.7
<i>Accrued payables</i>	158.3	34.0	1.7	(0.0)	194.0
<i>Advanced payments to suppliers</i>	(4.0)	(3.3)	(0.2)	0.3	(7.2)
<i>Suppliers - Rebates / Discounts to be received</i>	(4.3)	(6.4)	(0.2)	(0.0)	(10.9)
STRICT WORKING CAPITAL	(136.0)	(10.2)	(5.7)	6.1	(145.9)
NET NON STRICT WC ASSETS	220.4	(56.9)	1.6	(0.5)	164.6
NET NON STRICT WC LIABILITIES	598.3	(87.3)	4.7	(3.5)	512.2
NON STRICT WORKING CAPITAL	377.9	(29.4)	3.1	(4.0)	347.6
WORKING CAPITAL TOTAL	241.9	(40.6)	(2.6)	3.1	201.7

NOTE 8

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.

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.

8.1 MOVEMENTS

in millions of euros	Gross	Impairment	Net
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
Goodwill finalisation	-	-	-
Impact of changes in Group structure and others	(4.6)	1.8	(2.8)
Impact of exchange rates	23.0	0.2	23.2
30 SEPTEMBER 2021	1,054.9	(2.1)	1,052.9

8.2 BREAKDOWN OF GOODWILL BY CGU

in millions of euros	30/09/2021	31/12/2020
France	443.7	443.6
UK	418.8	400.8
International	190.4	188.2
TOTAL	1,052.9	1,032.5

8.3 CGU IMPAIRMENT TESTING

The estimates and assumptions used to perform the impairment tests at the end of 2020 have in our view not materially changed until the closing of our financial statements as of 30 September 2021. The financial results of our CGUs in the first nine months of 2021 have been in line with our expectations and the underlying assumptions

of the impairment test for the respective period. In the absence of an updated medium-term business plan at this time and in line with our Outlook for 2021 and 2022 there was no indication that goodwill may be impaired at this time.

NOTE 9

LIST OF CONSOLIDATED ENTITIES

Companies	Country	% INTEREST September-21	Method of consolidation
FULLY CONSOLIDATED COMPANIES			
FRANCE			
STRUCTURE			
LA FINANCIÈRE ATALIAN	France	100	FC
ATALIAN	France	100	FC
ATALIAN SERVICES INFORMATIQUES	France	100	FC
SCI SAINT APOLLINAIRE	France	100	FC
SCI AMPÈRE LA MAINE	France	100	FC
SCI FJ PART INVEST France	France	100	FC
SCI CRÉTEIL	France	100	FC
CLEANING			
DRX	France	90.5	FC
TNEX	France	90.5	FC
ATALIAN PROPLETE	France	90.5	FC
ATALIAN Propreté IDF	France	90.5	FC
TFN Appros Technique	France	90.5	FC
COMATEC	France	90.5	FC
EPPSI	France	90.5	FC
USP NETTOYAGE	France	90.5	FC
ATALIAN Propreté PACA	France	90.5	FC
ATALIAN Propreté Nord Normandie	France	90.5	FC
ATALIAN Propreté Ouest	France	90.5	FC
ATALIAN Propreté Sud Ouest	France	90.5	FC
ATALIAN Propreté Est	France	90.5	FC
ATALIAN Propreté Rhône-Alpes	France	90.5	FC
CARRARD SERVICES	France	90.5	FC
FRANCE CLAIRE	France	90.5	FC
PROBUS	France	90.5	FC
TFS	France	90.5	FC
VITSOLNET	France	90.5	FC
NET EXPRESS	France	90.5	FC
HEI	France	90.5	FC
CAMMARATA	France	90.5	FC
CMR	France	90.5	FC
SMNI	France	90.5	FC
ATALIAN FACILITIES	France	100	FC
DPS	France	90.5	FC
FINANCIERE DES SERVICES	France	90.5	FC
APS HOLDING	France	90.5	FC
VPS	France	90.5	FC
LIMPA	France	90.5	FC
BBA	France	90.5	FC

Companies	Country	% INTEREST September-21	Method of consolidation
EFFI SERVICE	France	90.5	FC
SOGEPARK	France	90.5	FC
SOGEPARK PREMIUM	France	90.5	FC
SECURITY			
ATALIAN SÉCURITÉ	France	100	FC
LANCRY PROTECTION SÉCURITÉ (LPS)	France	100	FC
ATALIAN SÛRETÉ	France	94.84	FC
AIRPORT PASSENGERS & FREIGHT SECURITY	France	94.13	FC
ATALIAN SÉCURITÉ TECHNOLOGIQUE	France	94.84	FC
SURVEILLANCE HUMAINE ARMÉE PRIVÉE	France	100	FC
APFS Lyon	France	94.13	FC
MULTITECHNICAL			
ATALIAN INGÉNIERIE DES SERVICES	France	100	FC
MAINTENANCE TECHNIQUE OPTIMISÉE (MTO)	France	100	FC
EUROGEM	France	100	FC
ETS DIDIER BERNIER	France	100	FC
ERGELIS	France	100	FC
GROUPE CADIOU	France	100	FC
ARCEM	France	100	FC
BEI	France	100	FC
CEI	France	100	FC
CEI LORIENT	France	100	FC
SEI	France	100	FC
PPR			
TFN PPR	France	100	FC
LETUVE	France	100	FC
GERMOT	France	100	FC
INTERNATIONAL			
EUROPE			
BE-ATALIAN BELGIUM HOLDING	Belgium	100	FC
BE-ATALIAN MANAGEMENT SERVICES NV	Belgium	100	FC
BE-TEMCO REAL ESTATE BVBA	Belgium	100	FC
BE-ATALIAN SA	Belgium	100	FC
BE - GREEN KITCHEN	Belgium	50.81	FC
BE - ATALIAN Building SOLUTIONS NV	Belgium	100	FC
BE - ATALIAN GLOBAL SERVICES HOLDING	Belgium	100	FC
LU-ATALIAN GLOBAL SERVICES Luxembourg	Luxembourg	100	FC
LU-ATALIAN EUROPE	Luxembourg	100	FC
LU-MTO Luxembourg	Luxembourg	100	FC
LU-CITY ONE Luxembourg	Luxembourg	50	FC
LU-ATALIAN INTERNATIONAL	Luxembourg	99	FC
LU-ATALIAN AFRIQUE	Luxembourg	99	FC
NL-VISSCHEDIJK SCHOONMAAK ZW BV	Netherlands	99	FC
NL-VISSCHEDIJK BV	Netherlands	99	FC
NL-VISSCHEDIJK FACILITAIR BV	Netherlands	99	FC
NL-VISSCHEDIJK CATERING BV	Netherlands	99	FC

Companies	Country	% INTEREST September-21	Method of consolidation
NL-VISSCHEDIJK SCHOONMAAK NO BV	Netherlands	99	FC
NL-VISSCHEDIJK SCHOONMAAK+ BV	Netherlands	99	FC
CZ-ATALIAN CZ sro	Czech Republic	100	FC
CZ-ATALIAN SERVIS CZ sro	Czech Republic	100	FC
CZ-AGUA PRAGUE sro	Czech Republic	100	FC
CZ-AIRE Brno sro	Czech Republic	100	FC
HU-ATALIAN GLOBAL SERVICES HUNGARY	Hungary	100	FC
HU-ATALIAN FACILITY MANAGEMENT & GLOBAL SERVICES	Hungary	100	FC
HR-ATALIAN GLOBAL SERVICES	Croatia	98.42	FC
HR - TEHINSPEKT	Croatia	74.80	FC
RO-ATALIAN ROMANIA	Romania	100	FC
RO-IQ REAL ESTATE	Romania	100	FC
RO-MT&T PROPERTY MANAGEMENT SRL	Romania	99	FC
SK-ATALIAN	Slovakia	100	FC
PL-ATALIAN POLAND	Poland	100	FC
PL-ASPEN HOLDING	Poland	100	FC
PL-ASPEN Sp. Z.o.o.	Poland	100	FC
PL-ASPEN SERWIS	Poland	100	FC
PL-ATALIAN SERVICE	Poland	100	FC
TR-ATALIAN ENTEGRE TESIS YONETIMI HIZMETLERI A.S	Turkey	99	FC
TR-EKOL TEKNİK TEMİZLİK BAKIM YÖNETİM HİZMETLERİ ve TİCARET A.S	Turkey	99	FC
TR-E GRUP GÜVENLİK HİZMETLERİ Ltd. STI	Turkey	99	FC
TR-EVD ENERGY	Turkey	99	FC
RU-ATALIAN GLOBAL SERVICES	Russia	97.02	FC
RU-ATALIAN ENGINEERING	Russia	50.72	FC
RU-ESPRO ENGINEERING	Russia	97.02	FC
RU-NOVY DOM	Russia	91.20	FC
RU-CLEANING PROFI	Russia	91.20	FC
RU-PROF KLİM	Russia	91.20	FC
RU-AFM2	Russia	97.02	FC
BY - ATALIAN	Belarus	64.35	FC
RS-ATALIAN LTD BELGRADE	Serbia	99	FC
RS-ATALIAN GLOBAL SERVICES - RS DOO BEOGRAD	Serbia	99	FC
RS-MOPEX TEKUCE ODRZAVANJE D.o.o.	Serbia	99	FC
BA-ATALIAN GLOBAL SERVICES BH d.o.O. Sarajevo	Bosnia	98.42	FC
BA-ATALIAN GLOBAL SERVICES Banja Luka	Bosnia	98.42	FC
GB - AKTRION HOLDINGS Ltd	United Kingdom	100	FC
GB - AKTRION GROUP Ltd	United Kingdom	100	FC
GB - AKTRION MANUFACTURING SUPPORT SERVICES Ltd	United Kingdom	100	FC
GB - AKTRION GASSER UK Ltd	United Kingdom	100	FC
GB - QE INTERNATIONAL Ltd	United Kingdom	100	FC
FR - AKTRION FRANCE SAS	France	100	FC
BE - AKTRION BELGIUM	Belgium	100	FC
ES - AKTRION IBERIA SRL	Spain	100	FC
HU - AKTRION HUNGARY Kft	Hungary	100	FC
RO - AKTRION ROMANIA SRL	Romania	100	FC

Companies	Country	% INTEREST September-21	Method of consolidation
SK - AKTRION SLOVAKIA s.r.o.	Slovakia	100	FC
PL - AKTRION POLAND Sp Z.o.o.	Poland	100	FC
PT - AKTRION PORTUGAL	Portugal	100	FC
DE - AKTRION GmbH	Germany	100	FC
USA			
US-ATALIAN GLOBAL SERVICES INC	United States	99	FC
US-ATALIAN US NORTHEAST LLC	United States	99	FC
US-ATALIAN US SHARED SERVICES LLC	United States	99	FC
US-SPARTAN SECURITY SERVICES INC	United States	99	FC
US-ATALIAN US OHIO VALLEY INC	United States	99	FC
US-ATALIAN US NEW ENGLAND LLC	United States	99	FC
US-ATALIAN US MIDWEST LLC	United States	99	FC
ASIA			
SG-ATALIAN GLOBAL SERVICES VIETNAM Pte Ltd	Singapore	50.49	FC
SG-ATALIAN SINGAPORE HOLDING Pte Ltd	Singapore	99	FC
SG-CLEANING EXPRESS Pte Ltd	Singapore	69.3	FC
SG-EXPRESS PEST SOLUTION Pte Ltd	Singapore	69.3	FC
SG-GREENSERVE & LANDSCAPE Pte Ltd	Singapore	69.3	FC
SG-ATALIAN ASIA HOLDING LIMITED	Singapore	99	FC
HK-ATALIAN ASIA HOLDING LIMITED	Hong-Kong	99	FC
TH- ATALIAN HOLDING THAILAND	Thailand	99	FC
TH-ATALIAN FACILITIES MANAGEMENT Co	Thailand	92.81	FC
TH-AGS THAILAND	Thailand	99	FC
TH-ATALIAN PGS SECURITY THAILAND CO Ltd	Thailand	99	FC
TH-THE GUARDS	Thailand	99	FC
TH-PS GUARDS HOLDING SECURITY GUARD Co Ltd	Thailand	99	FC
TH-PSS CLEANING AND SERVICE	Thailand	99	FC
TH-SECURITY GUARD ARM PROTECTION Co. Ltd	Thailand	99	FC
ID-PT ATALIAN INDONESIA	Indonesia	99	FC
ID-AGS INDONESIA	Indonesia	99	FC
ID-ATALIAN FACILITY SERVICES	Indonesia	99	FC
ID-RAFINDO ANUGRAH SUKSES	Indonesia	99	FC
ID-AGS CENTRAL JAVA	Indonesia	99	FC
ID-ATALIAN PEST MANAGEMENT	Indonesia	99	FC
MY-ATALIAN MALAYSIA	Malaysia	99	FC
MY-ATALIAN MANAGEMENT SERVICES ASIA Sdn Bhd	Malaysia	99	FC
MY-ATALIAN GLOBAL SERVICES Sdn Bhd	Malaysia	69.3	FC
PH-ATALIAN PHILIPPINES HOLDING Ltd	Philippines	98.99	FC
PH-AGS PHILIPPINES	Philippines	66.33	FC
PH-NORTHCOM	Philippines	50.49	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	FC
KH-AGS CAMBODIA	Cambodia	70.29	FC

Companies	Country	% INTEREST September-21	Method of consolidation
KH - AFM CAMBODIA	Cambodia	78.46	FC
IN - AGS FACILITIES PRIVATE LTD	India	99	FC
IN - RAMKY ATALIAN PVT LTD	India	69.3	FC
AFRICA			
MU-ATALIAN INTERACTIVE	Mauritius	99	FC
MA-ATALIAN MAROC	Morocco	99	FC
MA- OPUS RH SARL	Morocco	99	FC
MA-ATALIAN SURVEILLANCE	Morocco	99	FC
MA-AGS MOROCCO HOLDING	Morocco	79.20	FC
MA-CLEAN-CO SERVICES CENTURY	Morocco	79.20	FC
MA-CLEAN-CO SERVICES VIGILANCE	Morocco	79.20	FC
MA-CLEAN-CO SERVICES ENVIRONNEMENT	Morocco	79.20	FC
MA-EXPERT ENVIRONNEMENT (groupe CLEAN-CO)	Morocco	79.20	FC
MA-MEN' EXPERTS ACADEMY	Morocco	79.20	FC
CI-ATALIAN COTE D IVOIRE	Ivory Coast	63.36	FC
CI-QUICK NET AGS	Ivory Coast	63.36	FC
SN-AXESS	Senegal	71.28	FC
SN-AGS SENEGAL	Senegal	59.4	FC
LB-MTO SAL MAINTENANCE	Lebanon	99.14	FC
LB-ATALIAN SWITCH GROUP	Lebanon	50.96	FC
LB-AGS HOLDING LIBAN	Lebanon	100	FC
UK			
GB - ATALIAN SERVEST HOLDINGS LIMITED	United Kingdom	100	FC
GB - ATALIAN SERVEST GROUP HOLD Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST GROUP Ltd	United Kingdom	100	FC
GB - SERVEST GROUP Ltd (cleaning)	United Kingdom	100	FC
GB - SERVEST PEST CONTROL Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST SECURITY Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST FOOD CO Ltd	United Kingdom	100	FC
GB - SERVEST BUILDING SERVICES Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST AMK Ltd	United Kingdom	100	FC
GB - THERMOTECH SOLUTIONS Ltd	United Kingdom	100	FC
GB - ENSCO 1194 Ltd	United Kingdom	100	FC
GB - FIRE AND AIR SERVICES Ltd	United Kingdom	100	FC
GB - OAKWOOD TECHNOLOGY GROUP Ltd	United Kingdom	100	FC
GB - OAKWOOD AIR CONDITIONING Ltd	United Kingdom	100	FC
GB - THERMOTECH FIRE PROTECTION Ltd	United Kingdom	100	FC
GB - THERMOTECH MECHANICAL SERVICES Ltd	United Kingdom	100	FC
GB - SERVEST AKTRION Ltd	United Kingdom	100	FC
GB - ALPHA FACILITIES MANAGEMENT	United Kingdom	100	FC
GB - ATALIAN SERVEST INTEGRATED SOLUTIONS Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST Ltd	United Kingdom	100	FC
IE - SERVEST IRELAND Ltd	Ireland	100	FC
COMPANIES ACCOUNTED BY EQUITY METHOD			
CITY SERVICES	France	50	EA
LU - BOTEGA INVESTCO SARL (GETRONICS)	Luxembourg	27.18	EA
RO-FIRST FACILITY IMOBILE SRL	Romania	44.55	EA



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