

LA FINANCIÈRE ATALIAN

# UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER, 30 2022



**ATALIAN**  
GLOBAL SERVICES



# LA FINANCIÈRE ATALIAN

## UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED INCOME STATEMENT

in millions of euros

	Period ended 30 September 2022 - unaudited	Period ended 30 September 2021 - restated - unaudited
<b>NET SALES</b>	<b>2,314.0</b>	<b>2,152.0</b>
Raw materials & consumables used	(504.2)	(466.2)
External expenses	(96.2)	(82.5)
Staff costs	(1,551.9)	(1,417.3)
Taxes (other than on income)	(32.1)	(24.7)
Other operating income	2.5	15.9
Other operating expenses	(6.8)	(12.9)
<b>OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISION AND IMPAIRMENT LOSS</b>	<b>125.4</b>	<b>164.3</b>
Depreciation and amortisation, net	(68.6)	(66.3)
Provision and impairment loss, net	12.3	(1.9)
Other income and expenses	(19.6)	(7.1)
<b>OPERATING PROFIT</b>	<b>49.5</b>	<b>88.9</b>
Financial debt cost	(62.5)	(62.3)
Income from cash and cash equivalents	0.3	0.4
<b>NET FINANCIAL DEBT COST</b>	<b>(62.2)</b>	<b>(61.9)</b>
Other net financial income and expenses	(2.8)	(7.6)
<b>NET FINANCIAL EXPENSES</b>	<b>(65.0)</b>	<b>(69.4)</b>
Income tax expenses	(15.8)	(26.3)
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>(31.3)</b>	<b>(6.9)</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>(31.3)</b>	<b>(6.9)</b>
Attributable to owners of the company	(33.0)	(10.2)
Attributable to non-controlling interests	1.8	3.4

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## ASSETS

in millions of euros

	Period ended 30 September 2022 - unaudited	Period ended 31 December 2021 - audited
Goodwill	1,067.9	1,062.8
Intangible assets	78.0	62.8
Property, plant and equipment	163.4	169.1
Other non-current financial assets	38.6	38.6
Investments in associates	0.0	0.3
Deferred tax assets	78.6	83.8
<b>NON-CURRENT ASSETS</b>	<b>1,426.3</b>	<b>1,417.4</b>
Inventories	42.6	47.8
Prepayment to suppliers	2.8	6.3
Trade receivables	341.1	342.6
Current tax assets	5.4	6.3
Other receivables	126.9	173.0
Cash and cash equivalents	113.5	157.0
<b>CURRENT ASSETS</b>	<b>632.3</b>	<b>733.0</b>
Assets held for sale and discontinued operations	50.7	0.0
<b>TOTAL ASSETS</b>	<b>2,109.2</b>	<b>2,150.3</b>

## EQUITY AND LIABILITIES

in millions of euros

	Period ended 30 September 2022 - unaudited	Period ended 31 December 2021 - audited
<b>Equity</b>		
- Share capital	114.6	114.6
- Share capital premium	22.7	22.7
- Accumulated results	(373.4)	(319.8)
- Translation reserves	(6.3)	(3.9)
- Net income for the period	(33.0)	(52.1)
<b>Equity attributable to owners of the company</b>	<b>(275.4)</b>	<b>(238.4)</b>
Non-controlling interests	18.8	20.4
<b>TOTAL EQUITY</b>	<b>(256.6)</b>	<b>(218.0)</b>
Non current financial liabilities	1,284.0	1,309.5
Provisions for pensions	27.0	27.2
Provisions for other employee benefits	10.4	6.0
Deferred tax liabilities	15.4	9.5
<b>NON-CURRENT LIABILITIES</b>	<b>1,336.8</b>	<b>1,352.1</b>
Prepayments from customers	1.6	9.0
Trade payables	293.7	325.3
Other provisions	26.0	60.6
Other current liabilities	478.6	502.2
Liabilities related to payroll tax credit prefinancing	0.0	31.4
Current tax liabilities	5.3	10.0
Current portion of financial liabilities	172.1	71.6
Financial instruments	3.9	2.2
Short term bank loans and overdrafts	2.0	3.8
<b>CURRENT LIABILITIES</b>	<b>983.2</b>	<b>1,016.2</b>
Liabilities related to assets held for sale and discontinued operations	45.8	0.0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,109.2</b>	<b>2,150.3</b>

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

in millions of euros

		Period ended 30 September 2022 - unaudited	Period ended 30 September 2021 - restated - unaudited
<b>A - NET CASH FROM OPERATING ACTIVITIES</b>			
Net income (loss) from continuing activities		(31.3)	(6.9)
Elim. Share of net income (loss) of equity-accounted companies		(0.0)	(0.0)
Elim. Operating depreciations, amortisation, provisions & impairment losses		54.9	66.4
Elim. Gains/ losses on disposal		1.8	1.1
<b>Operating cash flow before changes in working capital</b>		<b>25.2</b>	<b>60.6</b>
Elim. Net finance costs		62.2	61.9
Elim. Income tax expense		15.8	26.3
Elim. Net other financial expenses		5.4	6.6
<b>Operating cash flow before changes in working capital, net financial debts and income tax expenses</b>		<b>108.6</b>	<b>155.4</b>
<b>Change in operating working capital (including change in deconsolidated Factoring)</b>		<b>(61.0)</b>	<b>(47.2)</b>
<b>Increase/Decrease in Factoring deposit</b>		<b>(2.9)</b>	<b>1.7</b>
<b>Income taxes paid</b>		<b>(15.0)</b>	<b>(17.3)</b>
<b>Net operating cash from discontinued operations</b>		<b>0.0</b>	<b>0.0</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>A</b>	<b>29.7</b>	<b>92.6</b>
<b>B - NET CASH USED IN INVESTING ACTIVITIES</b>			
Purchases of intangible assets, property, plant & equipment		(31.6)	(30.9)
Proceeds on disposal of intangible assets, property, plant & equipment		1.5	0.7
Purchases of consolidated companies (net of cash acquired)		(30.4)	(5.0)
Sales of consolidated companies (net of cash sold)		0.1	(0.0)
Other cash flows from investing activities		1.5	(0.1)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>B</b>	<b>(58.8)</b>	<b>(35.4)</b>
<b>C - NET CASH USED IN FINANCING ACTIVITIES</b>			
Change in capital		0.0	(12.3)
Dividends paid during the period		(1.2)	(5.0)
Increase in borrowings		108.5	30.6
Decrease in borrowings		(68.6)	(86.8)
Net financial interest paid		(42.7)	(42.4)
Foreign exchange (losses)/gains on financing activities		(5.4)	(6.6)
Other cash flows from financing activities		1.8	(8.4)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>C</b>	<b>(7.6)</b>	<b>(130.8)</b>
<b>IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS</b>	<b>D</b>	<b>(4.9)</b>	<b>(0.5)</b>
<b>CHANGES IN NET CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C+D)</b>	<b>(41.6)</b>	<b>(74.0)</b>
<b>NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>153.2</b>	<b>227.6</b>
Net cash flows for the period		(41.6)	(74.0)
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>111.6</b>	<b>153.6</b>

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# NOTE 1

## GENERAL INFORMATION AND SIGNIFICANT EVENTS

The terms “the Atalian Group”, “Atalian” 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 is owned, in majority, by an intermediate holding: Atalian Holding Development and Strategy (AHDS).

La Financière Atalian – the Group holding company – is a simplified joint-stock company incorporated under French law (société par actions simplifiée), whose registered office is located at 56 rue Ampère, 75017 Paris, France.

The Atalian Group provides cleaning services and other support services to companies and organisations, in France, in UK and internationally, in total in 35 countries.

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.

### 1.1.SIGNIFICANT EVENTS OF THE FIRST NINE MONTHS OF 2022

#### Litigations

Relating to the judicial convention of public interest (CJIP) concluded on 17 January 2022, a provision of €15.4 million has been made in the Group financial statements as of 31 December 2021.

In addition, concurrently with the conclusion of the CJIP, the ultimate shareholder had, in order to preserve the corporate interest of the Group, agreed to pay a sum of ca. €8.2 million to LFA.

The ultimate shareholder paid €8,245,867 in March 2022 to the Group. According to the agreed terms of the convention, the Group paid €15.0 million on 4 April 2022 to the French public Treasury (Ministry of Finance).

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

The Group paid €471,105 on 28 April 2022 for damage suffered by Vinci Energies France and Vinci SA, civil parties.

#### Sale and deconsolidation of Vietnam

On June 30, 2022, Atalian sold its 50.49% share in Atalian Global Services Vietnam Pte Ltd, Singapore in Vietnam for an amount of SGD1.76 million, equivalent to €1.18 million.

The payment for the share purchase is deferred to 30 June 2025 with 3.5% interest per annum with one year extension and is secured by a share pledge.

Following the divestment and in accordance with IFRS10 criteria, Atalian Global Services Vietnam was deconsolidated as of 30 June 2022, resulting in a loss of €(0.45) million. Atalian has a call option for 50.49% share in Atalian Global Services Vietnam, exercisable from 30 June 2025.

#### Acquisition of Incentive FM Group

On 25 May 2022, the Atalian Group, through its subsidiary UK Atalian Servest, acquired the UK Incentive FM Group for a purchase price of GBP32.1 million equivalent to €37.6 million.

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

It has been fully consolidated since the end of May 2022.

A temporary goodwill of €48.5 million (GBP41.4 million) was recognised, before allocation of PPA, in connection with this acquisition.

### Extension of the French State Guaranteed Loan (PGE)

The Group exercised on 16 April 2021 the 'PGE' (French State Guaranteed Loan) extension option for one additional year. The new maturity was June 2022.

The remaining balance of €12.5 million has been fully repaid on 25 May 2022. As of 30 June 2022, there was no outstanding balance on the PGE.

### Legal structure

In France, 3 legal mergers took place during 2022 to optimize the French legal structure organization. The Group sold its minority interest in Romania in First Facility Imobile and the Group purchased minority shareholders in Singapore and Thailand.

### Shareholder – change of ownership

Atalian Holding Development & Strategy ("AHDS"), the majority shareholder of La Financière Atalian ("Atalian"), and the minority shareholders of Atalian have received a binding and irrevocable offer from Clayton, Dubilier & Rice ("CD&R"), a global private investment firm, for the acquisition by CD&R of the entire share capital of Atalian, one of the world leaders in facility management.

The proposed transaction has been submitted for consultation to the competent workers' councils and has received approvals from the relevant regulatory and competition authorities. It is subject to the completion of the acquisition by CD&R of OCS International Limited, an international facilities management company headquartered in the United Kingdom and operating mainly in the United Kingdom and Asia Pacific region, which will be completed on 30 November 2022.

The transaction remains subject to the completion of the carve-out of assets excluded from the transaction. This carve-out is expected to be completed by closing of the proposed transaction.

An extension of the exercise period of the put option to 16 December 2022 has been decided by Atalian shareholder and CD&R in order to continue the discussions within the envisaged transaction.

At the same time, additional analyses are expected within a few days on France and the USA which are showing a decline in financial performance.

At the closing of the proposed transaction, and subject to the above-mentioned conditions, Atalian will redeem in full the senior notes due 2024 and 2025 in accordance with the optional redemption provisions of the relevant indentures.

## 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 2022 are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated.

#### 2.1. FINANCIAL CLOSURE

The Group's companies have been consolidated based on their financial statements as of 30 September 2022 for a period of 9 months.

#### 2.2. RESTATEMENT OF FINANCIAL STATEMENTS PREVIOUSLY REPORTED

In application of IAS 8, as of 31st December 2021, the Company has corrected and restated the Company's previously issued consolidated financial statements for the 2020 financial years and consequently for the nine-months ended September 30, 2021.

These corrections are the result of errors detected by the Group in the course of the internal controls that it has gradually been deploying since 2019, along with the introduction of governance and compliance rules.

Since 2019, the Group has been involved in a process of increasing the maturity of its internal control system, which has included the creation of compliance (2018), internal auditing and internal control functions (2019), with the progressive deployment of Key Controls since 2020.

In this context and on the occasion of the 2021 closing of accounts, the Group carried out enhanced controls of the accounting packages and tax returns sent in by the subsidiaries and submitted some of them to examination by external specialists.

The adjustments/restatements required to the financial statements reported for the nine-months ended September 30, 2021 concern the following items:

- Adjustments on operating expenses attributable to 2020 financial year identified late within 2021 financial year mainly attributable to Moroccan and US subsidiaries.
- Recognition of write-off of unjustified asset values, resulting from a late identification of facts and circumstances existing at the 2020 reporting date that would have resulted in a different assessment.

The results released in the Q3 financial report, 2021, investor presentation and press release on October, 29 2021, have been revised to reflect the impact of the accounting matters resulting in the restatement relative to the nine-month period ended September 30, 2021.

The following presents a reconciliation of the impacted financial statement line items as reported to the restated amounts for the nine-months ended September 30, 2021.

The previously reported amounts reflect those included in the Q3 financial report as of and for the nine-months ended September 30, 2021 on October, 29 2021.

These amounts are labelled as "As previously Reported" in the tables below. The amounts identified as "Adjustments" correspond to the corrections necessary to record the appropriate accounting treatment.

#### **Summary of the Restatement Adjustments - Q3 2021**

The following tables summarize the impact of the restatement on our financial statements and for the nine-months ended September 30, 2021.



## Impact on the consolidated Income Statement

in millions of euros	Notes	Impacts of corrections of errors	
		Period ended 30 September 2021 as previously reported	Period ended 30 September 2021 restated
<b>NET SALES</b>		<b>2,151.9</b>	<b>2,152.0</b>
Raw materials & consumables used		(466.2)	(466.2)
External expenses		(82.6)	(82.4)
Staff costs	1	(1,417.8)	(1,417.3)
Taxes (other than on income)		(24.7)	(24.7)
Other operating income and expenses	2	4.0	3.0
<b>OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISION AND IMPAIRMENT LOSS</b>		<b>164.6</b>	<b>164.3</b>
Depreciation and amortisation, net		(66.3)	(66.3)
Provision and impairment loss, net		(1.9)	(1.9)
<b>CURRENT OPERATING PROFIT</b>		<b>96.3</b>	<b>96.0</b>
Other operating income & expenses	3	(14.8)	(7.1)
<b>OPERATING PROFIT</b>		<b>81.5</b>	<b>88.9</b>
Financial debt cost		(62.3)	(62.3)
Income from cash and cash equivalents		0.4	0.4
<b>NET FINANCIAL DEBT COST</b>		<b>(61.9)</b>	<b>(61.9)</b>
Other net financial expenses	4	(8.0)	(7.6)
<b>NET FINANCIAL EXPENSES</b>		<b>(69.9)</b>	<b>(69.5)</b>
Income tax expenses		(26.3)	(26.3)
Share of net income (loss) of other equity-accounted entities		-	-
<b>NET INCOME (LOSS) FROM CONTINUING OPERATIONS</b>		<b>(14.7)</b>	<b>(6.9)</b>
Net income (loss) from discontinued operations		-	-
<b>NET INCOME FOR THE PERIOD</b>		<b>(14.7)</b>	<b>(6.9)</b>
Attributable to owners of the company		(17.7)	(10.2)
Attributable to non-controlling interests		3.1	3.4

1: it is essentially a correction of the payroll taxes attributable to the 2020 financial year of the US subsidiary.

2: adjustments to 'other operating income and expenses' reflect expenses attributable to 2020 financial year identified late within 2021 financial year for €0.8 million. In addition, expenses were reclassified from non-recurring operating expenses attributable to 2021 financial year for €1.8 million. Both adjustments are related to the US subsidiary.

3: adjustments to 'other operating income and expenses non-current' are attributable to the Indonesian subsidiaries for €3.3 million mainly due to write-off of unjustified asset values and to legal expenses incurred by the Group that had been inappropriately offset by contingent assets for €1.2 million, to the Moroccan subsidiary for €1.6 million reflecting expenses attributable to 2020 financial year identified late within 2021 financial year, and to the US subsidiary for €2.8 million (refer to point 2 above).

4: it is attributable to the US subsidiary related to prior years before financial year 2020 late interests.

## Impact on the consolidated Cash Flow Statement

in millions of euros	Impact of correction of errors			
	Period ended 30 September 2021 as previously reported	Adjustments	Period ended 30 September 2021 restated	
<b>A - NET CASH FROM OPERATING ACTIVITIES</b>				
Net income (loss) from continuing activities	(14.7)	7.8	(6.9)	
Elim. Share of net income (loss) of equity-accounted companies	-	-	-	
Elim. Operating depreciation, amortisation, provision & impairment loss	66.4	-	66.4	
Elim. Gains/ losses on disposal	2.3	(1.2)	(1.1)	
<b>Operating cash flow before changes in working capital</b>	<b>54.0</b>	<b>6.6</b>	<b>60.6</b>	
Elim. Net finance costs	61.9	-	61.9	
Elim. Income tax expense	26.3	-	26.3	
Elim. Other net financial expenses	7.0	(0.4)	6.6	
<b>Operating cash flow before changes in working capital, net financial debts and income tax expenses</b>	<b>149.2</b>	<b>6.2</b>	<b>155.4</b>	
<b>Changes in operating working capital (including change in deconsolidated Factoring)</b>	<b>(40.6)</b>	<b>(6.6)</b>	<b>(47.2)</b>	
<b>Increase/Decrease in Factoring deposit</b>	<b>1.7</b>	<b>-</b>	<b>1.7</b>	
<b>Income taxes paid</b>	<b>(17.3)</b>	<b>-</b>	<b>(17.3)</b>	
<b>Net operating cash from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>A</b>	<b>93.0</b>	<b>(0.4)</b>	<b>92.6</b>
<b>B - NET CASH USED IN INVESTING ACTIVITIES</b>				
Purchases of intangible assets, property, plant & equipment	(30.9)	-	(30.9)	
Proceeds on disposal of intangible assets, property, plant & equipment	0.7	-	0.7	
Purchases of consolidated companies (net of cash acquired)	(5.0)	-	(5.0)	
Sales of consolidated companies (net of cash sold)	-	-	-	
Other cash flows from investing activities	(0.1)	-	(0.1)	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>B</b>	<b>(35.4)</b>	<b>-</b>	<b>(35.4)</b>
<b>C - NET CASH USED IN FINANCING ACTIVITIES</b>				
Change in capital	(12.3)	-	(12.3)	
Dividends paid during the period	(5.0)	-	(5.0)	
Increase in borrowings	30.6	-	30.6	
Decrease in borrowings	(86.8)	-	(86.8)	
Net financial interest paid	(42.4)	-	(42.4)	
Other financial expenses	(7.0)	0.4	(6.6)	
Other cash flows from financing activities	(8.3)	(0.1)	(8.4)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>C</b>	<b>(131.2)</b>	<b>0.4</b>	<b>(130.8)</b>
<b>IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS</b>	<b>D</b>	<b>(0.5)</b>	<b>(0.0)</b>	<b>(0.5)</b>
<b>CHANGES IN NET CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C+D)</b>	<b>(74.0)</b>	<b>(0.0)</b>	<b>(74.0)</b>
<b>NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>227.6</b>	<b>(0.0)</b>	<b>227.6</b>
Net cash flows for the period		(74.0)	(0.0)	(74.0)
<b>NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>153.6</b>	<b>-</b>	<b>153.6</b>

The impacts on the cash flow statement are the result of those affecting the income statement as explained in the table above.

## 2.3. ASSETS HELD FOR SALE

Over Q3 2022, Atalian management committed to a plan to sell some entities within International division. Those entities within International division are not material for Atalian Group and do not answer to criteria of discontinued operation. In accordance with IFRS 5, assets and liabilities associated to those assets of those entities were classified and are presented as held for sale as of 30 September 2022. Effort to sell those entities have started and sales are expected by end of 2022.

### Impairment losses relating to the disposal of entities

Impairment losses of €643 thousands for write-downs of some of the disposal entities to the lower of its carrying-amount and its fair value less costs to sell have been included in 'Provision and impairment loss, net' in accordance with IFRS 5. The impairment losses have been applied to reduce the carrying amount of Goodwill, Intangible assets and Property, plant and equipment within the disposal entities.

### Assets and liabilities of disposal entities held for sale

At 30 September 2022, the disposal entities were stated at fair value less costs to sell and comprised the following assets and liabilities.

in millions of euros	Period ended 30 September 2022 - unaudited
Goodwill	11.3
Intangible assets	0.1
Property, plant and equipment	6.4
Other fixed assets	0.9
<b>NON-CURRENT ASSETS</b>	<b>18.7</b>
Inventories	0.2
Trade and other receivables	26.0
Cash and cash equivalents	5.8
<b>CURRENT ASSETS</b>	<b>31.9</b>
<b>ASSETS HELD FOR SALE</b>	<b>50.7</b>

in millions of euros	Period ended 30 September 2022 - unaudited
Non current financial liabilities	6.9
Provisions	0.4
<b>NON-CURRENT LIABILITIES</b>	<b>7.3</b>
Trade and other liabilities	23.4
Other provisions	13.3
Current portion of financial liabilities	0.0
Shortterm bank loans and overdrafts	1.9
<b>CURRENT LIABILITIES</b>	<b>38.6</b>
<b>LIABILITIES RELATED TO ASSETS HELD FOR SALE</b>	<b>45.8</b>

## 2.4. CONSOLIDATION METHODS

### 2.4.1 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 10.

#### 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 10.

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 on the line "Other Non-Current financial assets" and measured at fair value, through the income statement.



## 2.4.2 Scope of consolidation

The change in the scope of consolidation is driven by the internal merger of Group entities in France (3), the liquidation of 1 entity in the UK, the deconsolidation of Vietnam (3), the purchase of the Group Incentive FM (15) in the UK, the consolidation of an Aktrion entity in Czech republic and the sale of 1 entity in Romania that was accounted for by the equity method.

in millions of euros	At 30 September 2022	At 31 December 2021
Fully consolidated companies	195	186
Companies accounted for by the equity method	2	3
	<b>197</b>	<b>189</b>

## 2.5. 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.

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

In Turkey, the cumulative rate of inflation over the last three years is in excess of 100%, based on a combination of indices used to measure inflation in this country qualifying Turkey as hyperinflation economy. The contribution to the Group financial statement of the Turkish Atalian subsidiaries as of September 30th, 2022, is immaterial.

## 2.6. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

In application of IAS 21, the loans constituting in substance monetary items that are part of the net investment in foreign subsidiaries were analysed in order to identify the loans whose payment is neither planned nor probable in the foreseeable future. In compliance with IAS 21.15 and 32, exchange differences relative to a loan are recognised in other comprehensive income (OCI) and must be reclassified later to profit or loss on disposal of the net investment. Financing which qualifies as a net investment in foreign subsidiaries (currencies) concerns subsidiaries in the UK.

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.

## 2.7. FINANCIAL RISKS

For a description of financial risks please refer to the Group's 2021 Annual Report.

## 2.8. 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:

- Revenue.
- 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.

	By operating segment				
in millions of euros	France	UK	International	Others (incl. Corp Holding)*	TOTAL GROUP
PERIOD ENDED 30 SEPTEMBER 2022					
Revenue	1,031.6	693.0	593.3**	(3.9)	2,314.0
Operating profit before depreciation, amortisation, provisions and impairment loss	100.4	46.8	32.0	(53.8)	125.4
* include inter-segment revenue					
** of which countries contributing to turnover > 10%					
United States			108.0		
Belgium			90.3		
PERIOD ENDED 30 SEPTEMBER 2021					
Revenue	1,009.7	561.8	582.4**	(2.0)	2,151.9
Operating profit before depreciation, amortisation, provisions and impairment loss	113.4	41.5	48.3	(38.9)	164.3
* include inter-segment revenue					
** of which countries contributing to turnover > 10%					
United States			121.4		
Belgium			83.2		
Czech Republic			55.6		

## NOTE 4

### 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 over time and generally invoiced on a monthly basis. These services are generally recognised using the billing method when the Group charges a fixed price for each hour of service provided.

Thus, revenue is recognised at the time the service is rendered, i.e. when the performance obligation is satisfied under IFRS 15.

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 before depreciation, amortisation, provisions and impairment losses

Operating profit before depreciation, amortisation, provisions and impairment loss 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.

#### Staff costs

in millions of euros	30/09/2022	30/09/2021
Wages and other employment- related expense - I	(1,549.3)	(1,413.1)
<i>of which wages and salaries</i>	(1,300.1)	(1,181.9)
<i>of which employer social contributions</i>	(215.0)	(205.5)
<i>of which contributions to defined contribution plans</i>	(12.2)	(10.0)
<i>of which other employment related expenses</i>	(22.0)	(15.7)
Profit-sharing and incentive plans - II	(2.6)	(4.2)
<b>TOTAL</b>	<b>(1,551.9)</b>	<b>(1,417.3)</b>

## Depreciation and amortisation

in millions of euros	30/09/2022	30/09/2021
Intangible assets	(3.7)	(3.1)
Property, plant and equipment	(58.2)	(56.6)
<i>of which D&amp;A own property PP&amp;E</i>	(20.0)	(21.4)
<i>of which amortisation of rights of use</i>	(38.2)	(35.2)
D&A Acquired through business combination	(6.8)	(6.6)
<b>TOTAL</b>	<b>(68.6)</b>	<b>(66.3)</b>

## Other income and expenses

Other income and expenses correspond to significant and non-recurring fees and costs (as restructuring costs, transaction and advisory costs, due diligence costs) that occurred during the period.

As per 30 September 2022, the cost amounts to €19.6 million.

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

in millions of euros	TOTAL GROUP	France	UK	International	HOLD CORP
Restructuring costs	(1.2)	-	(0.1)	-	(1.1)
Profit/Loss on disposal of subsidiary	(0.5)	-	-	(0.5)	-
Acquisition / transaction / other costs	(17.9)	(0.6)	(0.8)	(7.3)	(9.2)
<b>TOTAL</b>	<b>(19.6)</b>	<b>(0.6)</b>	<b>(0.9)</b>	<b>(7.8)</b>	<b>(10.3)</b>

### Acquisition / transaction / other costs include:

In the UK, the costs are related to the transaction costs for UK Incentive FM.

International include for the biggest part in the USA, work accident compensation and provision for general litigation related to prior years and transaction and advisory costs.

The loss on the disposal of subsidiary reflects the impact of the deconsolidation of Vietnam.

The amount in Corporate Holdings is reflecting advisory and consulting cost as well as mostly the penalty of the CJIP (including the repayment by the ultimate shareholder). At Operating profit level, this cost is offset by the related reversal of the provision, that was made as of 31.12.2021.



## NOTE 5

### FINANCE COSTS, NET & OTHER NET FINANCIAL INCOME AND EXPENSES

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

- 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.

#### 5.1. BREAKDOWN OF NET FINANCE DEBT COST

in millions of euros	30/09/2022	30/09/2021	31/12/2021
Financial expenses	(62.5)	(62.3)	(81.8)
Financial income	0.3	0.4	0.6
<b>NET FINANCIAL DEBT COST</b>	<b>(62.2)</b>	<b>(61.9)</b>	<b>(81.2)</b>
Analysis:			
– Net interest on borrowings	(56.5)	(56.1)	(73.5)
– Income from cash and cash equivalents	0.3	0.4	0.6
– Interest on leases	(6.0)	(6.2)	(8.3)
<b>TOTAL</b>	<b>(62.2)</b>	<b>(61.9)</b>	<b>(81.2)</b>

#### 5.2. BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros	30/09/2022	30/09/2021	31/12/2021
Net (additions to/reversals of) provisions for financial items	2.4	(0.7)	(7.4)
Foreign exchange gains and losses	(5.2)	(4.6)	(1.8)
Other	(0.0)	(2.3)	(3.0)
<b>OTHER FINANCIAL INCOME AND EXPENSES</b>	<b>(2.8)</b>	<b>(7.6)</b>	<b>(12.3)</b>

## NOTE 6

### 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.

### 6.1. FIXED ASSETS

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

in millions of euros	30/09/2022	31/12/2021
Tangible assets excluding Right-of-use	61.1	62.3
Right-of-use	102.3	106.8
<b>TOTAL</b>	<b>163.4</b>	<b>169.1</b>
Intangible assets	78.0	62.8
<b>TOTAL</b>	<b>78.0</b>	<b>62.8</b>

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

## 6.2. BREAKDOWNS OF RIGHT-OF-USE

<b>GROSS</b> in millions of euros	<b>Real estate</b>	<b>Vehicles</b>	<b>Materials &amp; equipment</b>	<b>Others</b>	<b>TOTAL</b>
<b>31 DECEMBER 2021</b>	<b>76.2</b>	<b>78.2</b>	<b>52.8</b>	<b>1.7</b>	<b>208.9</b>
Currency Translation differences	1.2	(0.6)	0.3	0.0	0.9
Amendments, terminations & transfers	(0.1)	(0.0)	(0.0)	(0.0)	(0.1)
Changes in Group structure	(1.0)	(2.1)	(1.0)	0.0	(4.1)
Acquisitions	14.8	19.2	9.7	0.1	43.7
Disposals, reductions and others	(11.2)	(16.8)	(2.7)	(0.3)	(31.0)
<b>30 SEPTEMBER 2022</b>	<b>79.9</b>	<b>77.9</b>	<b>59.1</b>	<b>1.5</b>	<b>218.4</b>

  

<b>AMORTISATION AND LOSS OF VALUE</b> in millions of euros	<b>Real estate</b>	<b>Vehicles</b>	<b>Materials &amp; equipment</b>	<b>Others</b>	<b>TOTAL</b>
<b>31 DECEMBER 2021</b>	<b>(29.6)</b>	<b>(38.9)</b>	<b>(33.0)</b>	<b>(0.7)</b>	<b>(102.1)</b>
Currency Translation differences	(0.2)	0.0	(0.1)	(0.0)	(0.3)
Amendments, terminations & transfers	0.2	0.0	(0.1)	0.0	0.2
Changes in Group structure	0.6	1.4	1.0	0.1	3.0
Depreciation expense	(9.6)	(18.9)	(9.6)	(0.2)	(38.2)
Disposals, reductions and others	4.7	14.7	1.7	0.3	21.4
<b>30 SEPTEMBER 2022</b>	<b>(33.9)</b>	<b>(41.6)</b>	<b>(40.1)</b>	<b>(0.5)</b>	<b>(116.1)</b>

  

<b>NET</b> in millions of euros	<b>Real estate</b>	<b>Vehicles</b>	<b>Materials &amp; equipment</b>	<b>Others</b>	<b>TOTAL</b>
<b>31 DECEMBER 2021</b>	<b>46.7</b>	<b>39.3</b>	<b>19.8</b>	<b>1.1</b>	<b>106.8</b>
<b>30 SEPTEMBER 2022</b>	<b>46.0</b>	<b>36.3</b>	<b>19.0</b>	<b>1.0</b>	<b>102.3</b>

## NOTE 7

### LONG- AND SHORT-TERM FINANCIAL LIABILITIES

#### 7.1. BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

Financial liabilities <small>in millions of euros</small>	Short-term	Long-term		Total
	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years	30/09/2022
- Bonds*	19.5	1,217.7	-	1,237.2
- RCF	103.0	-	-	103.0
- Bank borrowing guaranteed by the French Government (PGE)	-	-	-	-
- Finance lease liabilities	44.7	50.1	14.9	109.7
- Factoring loans	0.0	-	-	0.0
- Other borrowings and financial liabilities	4.9	1.4	-	6.3
<b>Total interest-bearing borrowings at 30/09/2022</b>	<b>172.1</b>	<b>1,269.1</b>	<b>14.9</b>	<b>1,456.2</b>
<b>Total interest-bearing borrowings at 31/12/2021</b>	<b>71.6</b>	<b>1,291.8</b>	<b>17.7</b>	<b>1,381.1</b>

\* bonds net of issuance costs of €(12.1) million. Issuance costs expensed in the first 3 quarters 2022 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 had an initial maturity of 1 year and was extended for 1 year to June 2022. On May 25<sup>th</sup>, 2022 this loan was fully repaid.

The Group has a revolving credit facility of €103.0 million maturing in April 2023. As of 30 September 2022, the RCF was temporarily drawn for €103 million.

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 (= Secured Net debt / Consolidated EBITDA post IFRS) shall not exceed 1.75x as of 31 December and 30 June closings. As of 30 June 2022 the financial covenant was respected.

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.

#### 7.2. CONFIRMED CREDIT LINES

<small>in millions of euros</small>	Confirmed lines	Utilised lines
Bonds*	1,229.8	1,229.8
Bank borrowings**	106.0	106.0
Factoring loans***	281.3	227.1
<b>TOTAL</b>	<b>1,617.2</b>	<b>1,562.9</b>

\* Principal, excluding issuance costs. Based on an average market value as of 30 September 2022, the fair value would amount to €1,166.2 million. Accrued coupon (EUR 19.5mn) must also be taken into account if one wants to compare fair market value with accounting value.

\*\* of which RCF €103 million,

\*\*\* Included €227.1 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 2021, the UK factoring facility has been recently increased from £50.0 million to £65.0 million to embark Incentive FM entities.

The non-recourse facility of €220.0 million (covering France, Belgium, Czech Republic and Poland) was extended to September 2023.

As of 30 September 2022, 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.

As of 30 September 2022, the amount of the derecognised receivables totalled €308.2 million, providing the Group with €227.1 million of immediate financing with the difference corresponding to €25.2 million security deposit and €55.8 million to factor current account and client payments not yet deducted.

As of 31 December 2021, the amount of immediate financing provided by deconsolidated receivables was €214.0 million.

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 €1.1 million as of 30 September 2022 reclassified to assets held for sale due to IFRS 5 treatment, and €1.2 million as of 31 December 2021. The Group has been mandated by the factoring companies to manage on their behalf the collection of the receivables that have been sold to them.

### 7.4. VARIATION OF CURRENT AND NON-CURRENT FINANCIAL DEBT

	31/12/2021	Cash impact		Non-cash impact & Others	30/09/2022
in millions of euros		Increase	Decrease		
NON-CURRENT FINANCIAL DEBT	1,309.5	5.0	(7.9)	(22.6)	1,284.0
of which debts from bonds	1,226.7	-	-	(9.0)	1,217.7
of which debts from RCF	-	-	-	-	-
of which debts from leasing	77.8	-	-	(12.8)	65.0
of which debts from factoring	-	-	-	-	-
of which debts from others	5.1	5.0	(7.9)	(0.9)	1.4
CURRENT FINANCIAL DEBT	71.6	103.5	(60.7)	57.6	172.1
of which debts from bonds	4.8	-	-	14.8	19.5
of which debts from RCF	-	103.0	-	-	103.0
of which debts bank borrowing and others*	30.9	0.2	(27.7)	1.5	4.9
of which debts from leasing **	34.8	-	(32.5)	42.5	44.7
of which debts from factoring	1.2	0.3	(0.5)	(1.1)	(0.0)
Gross debt	1,381.1	108.5	(68.6)	35.0	1,456.2
Financial instrument	2.2	-	-	1.7	3.9
GROSS DEBT INCL. FINANCIAL INSTRUMENT	1,383.3	108.5	(68.6)	36.7	1,460.1

\* The variation includes €25.0 million of the repayment, in the first half year, of the French State guaranteed loan (PGE), which was fully repaid at the end of June 2022.

\*\* The non cash impact on debt from leasing is related to the new IFRS16 lease contracts in 2022.

## NOTE 8

### WORKING CAPITAL

#### 8.1. BREAKDOWN OF WORKING CAPITAL

in millions of euros	31/12/2021	Cash in / Cash out	Forex	Other (incl. Scope change)	30/09/2022
<b>NET STRICT WC ASSETS</b>	<b>387.6</b>	<b>11.7</b>	<b>(0.7)</b>	<b>(13.7)</b>	<b>384.9</b>
<b>Inventories</b>	<b>48.2</b>	<b>(4.8)</b>	<b>(1.9)</b>	<b>1.4</b>	<b>43.0</b>
Inventory: raw mat. and other consumables	5.2	0.9	(0.1)	(0.4)	5.7
Inventory: work-in-progress	39.2	(5.9)	(1.7)	3.3	34.9
Inventory: finished/semi-finished goods	0.0	0.0	0.0	0.0	0.0
Inventory: goods for resale	3.8	0.2	(0.1)	(1.6)	2.4
<b>Net customers receivables</b>	<b>339.4</b>	<b>16.4</b>	<b>1.2</b>	<b>(15.1)</b>	<b>341.9</b>
Accounts receivable	502.4	10.4	(0.4)	(10.8)	501.6
Doubtful receivables	11.3	0.6	(0.0)	(2.0)	9.8
Accrued receivables	86.1	22.1	(0.7)	(5.1)	102.5
Accounts receivable - Factor	(231.4)	(20.7)	2.4	0.4	(249.3)
Advanced payments from customers	(9.0)	5.2	0.1	2.2	(1.6)
Customers - Accrued Discounts and credit notes	(20.0)	(1.2)	(0.2)	0.3	(21.1)
<b>NET STRICT WC LIABILITIES</b>	<b>305.5</b>	<b>(48.1)</b>	<b>(1.5)</b>	<b>6.1</b>	<b>261.9</b>
<b>Net Suppliers payables</b>	<b>305.5</b>	<b>(48.1)</b>	<b>(1.5)</b>	<b>6.1</b>	<b>261.9</b>
Accounts payable	116.2	(23.5)	0.1	(1.7)	91.2
Accrued payables	207.4	(19.6)	(1.6)	6.3	192.5
Advanced payments to suppliers	(6.3)	2.4	(0.3)	1.5	(2.8)
Suppliers - Rebates / Discounts to be received	(11.7)	(7.4)	0.2	(0.0)	(18.9)
<b>STRICT WORKING CAPITAL</b>	<b>(82.1)</b>	<b>(59.8)</b>	<b>(0.8)</b>	<b>19.8</b>	<b>(123.0)</b>
<b>NET NON STRICT WC ASSETS</b>	<b>161.0</b>	<b>(52.1)</b>	<b>1.0</b>	<b>(1.6)</b>	<b>108.3</b>
<b>NET NON STRICT WC LIABILITIES</b>	<b>512.5</b>	<b>(53.3)</b>	<b>(1.5)</b>	<b>(0.5)</b>	<b>457.2</b>
<b>NON STRICT WORKING CAPITAL</b>	<b>351.5</b>	<b>(1.2)</b>	<b>(2.5)</b>	<b>1.2</b>	<b>348.9</b>
<b>WORKING CAPITAL TOTAL</b>	<b>269.3</b>	<b>(61.0)</b>	<b>(3.4)</b>	<b>20.9</b>	<b>225.9</b>

In "Other" is included the impact (€4.6 million) related to the transfer of activities to "Assets held for sale" as described in the note 2.3

## NOTE 9

### 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.

#### 9.1. MOVEMENTS

in millions of euros	Gross	Impairment	Net
<b>31 DECEMBER 2020</b>	<b>1,036.6</b>	<b>(4.1)</b>	<b>1,032.5</b>
Goodwill finalisation	-	-	-
Impact of changes in Group structure and others	(5.1)	-	(5.1)
Impact of exchange rates	35.3	0.1	35.4
<b>31 DECEMBER 2021</b>	<b>1,066.8</b>	<b>(4.0)</b>	<b>1,062.8</b>
Goodwill finalisation	-	-	-
Impact of changes in Group structure and others	15.4	(0.6)	14.8
Impact of exchange rates	(9.7)	0.0	(9.7)
<b>30 SEPTEMBER 2022</b>	<b>1,072.4</b>	<b>(4.5)</b>	<b>1,067.9</b>

The impact of the changes in the Group structure of the goodwill of €15.4 million is mainly due to the acquisition of UK Incentive FM Group with the current temporary goodwill recognised for €26.5 million, offset by €1.4 million due to the sale of Vietnam and the impact related to the transfer of activities to "Assets held for sale" by €11.3 million (see note 2.3).

## 9.2. BREAKDOWN OF GOODWILL BY CGU

in millions of euros	30/09/2022	31/12/2021
France	443.9	443.9
UK	435.6	429.9
International	188.4	189.0
<b>TOTAL</b>	<b>1,067.9</b>	<b>1,062.8</b>

## 9.3. CGU IMPAIRMENT TESTING

The estimates and assumptions used to perform the impairment tests at the end of 2021 are under review, with the validation of the budget for the coming years. As soon as done, the CGU impairment testing will be finalized. Due to the decrease in performance mostly in the US entities, special attention will be made to the CGU international.



## NOTE 10

### LIST OF CONSOLIDATED ENTITIES

Companies	Country	% interest Sept-22	Method of consolidation
<b>FULLY CONSOLIDATED COMPANIES</b>			
<b>FRANCE</b>			
<b>STRUCTURE</b>			
LA FINANCIÈRE ATALIAN	France	100	FC
ATALIAN	France	100	FC
ATALIAN SERVICES INFORMATIQUES	France	100	FC
ATALIAN FACILITIES	France	100	FC
SCI SAINT APOLLINAIRE	France	100	FC
SCI AMPÈRE LA MAINE	France	100	FC
SCI FJ PART INVEST France	France	100	FC
<b>CLEANING</b>			
DRX	France	90.5	FC
TNEX	France	90.5	FC
ATALIAN PROPRIÉTÉ	France	90.5	FC
EPPSI	France	90.5	FC
USP NETTOYAGE	France	90.5	FC
CARRARD SERVICES	France	90.5	FC
PROBUS	France	90.5	FC
TFS	France	90.5	FC
DPS	France	90.5	FC
FINANCIÈRE DES SERVICES	France	90.5	FC
LIMPA	France	90.5	FC
BBA	France	90.5	FC
<b>SECURITY</b>			
ATALIAN SÉCURITÉ HOLDING	France	100	FC
ATALIAN SÉCURITÉ	France	100	FC
ATALIAN SÛRETÉ	France	94.84	FC
AIRPORT PASSENGERS & FREIGHT SECURITY	France	94.13	FC
ATALIAN SÉCURITÉ TECHNOLOGIQUE	France	94.84	FC
SURVEILLANCE HUMAINE ATALIAN PREMIUM	France	100	FC
APFS Lyon	France	94.13	FC
<b>MULTITECHNICAL</b>			
ATALIAN INGÉNIERIE DES SERVICES	France	100	FC
MAINTENANCE TECHNIQUE OPTIMISÉE (MTO)	France	100	FC
EUROGEM	France	100	FC
ETS DIDIER BERNIER	France	100	FC
ERGELIS	France	100	FC
GROUPE CADIOU	France	100	FC
ARCEM	France	100	FC
CEI	France	100	FC
<b>PPR</b>			
TFN PPR	France	100	FC
LETUVE	France	100	FC
GERMOT	France	100	FC

Companies	Country	% interest Sept-22	Method of consolidation
<b>INTERNATIONAL</b>			
<b>EUROPE</b>			
BE - ATALIAN HOLDING BELGIUM	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	100	FC
BE - ATALIAN Building SOLUTIONS NV	Belgium	100	FC
BE - ATALIAN GLOBAL SERVICES HOLDING	Belgium	100	FC
LU - ATALIAN GLOBAL SERVICES LUXEMBOURG	Luxembourg	100	FC
LU - ATALIAN EUROPE	Luxembourg	100	FC
LU - MTO LUXEMBOURG	Luxembourg	100	FC
LU - CITY ONE LUXEMBOURG	Luxembourg	50	FC
LU - ATALIAN INTERNATIONAL	Luxembourg	99	FC
LU - ATALIAN AFRIQUE	Luxembourg	99	FC
NL - ATALIAN SCHOONMAAK ZW BV	Netherlands	99	FC
NL - ATALIAN BV	Netherlands	99	FC
NL - ATALIAN FACILITAIR BV	Netherlands	99	FC
NL - GREEN KITCHEN BV	Netherlands	99	FC
NL - ATALIAN SCHOONMAAK NO BV	Netherlands	99	FC
NL - ATALIAN 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	96.81	FC
HR - TEHINSPEKT	Croatia	73.57	FC
RO - ATALIAN ROMANIA	Romania	100	FC
RO - IQ REAL ESTATE	Romania	100	FC
RO - MT&T PROPERTY MANAGEMENT SRL	Romania	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.Ş	Turkey	99	FC
TR - E GRUP GÜVENLİK HİZMETLERİ Ltd. STİ	Turkey	99	FC
TR - EVD ENERGY	Turkey	99	FC
RU - ATALIAN GLOBAL SERVICES	Russia	97.02	FC
RU - ATALIAN ENGINEERING	Russia	97.02	FC
RU - ESPRO ENGINEERING	Russia	97.02	FC
RU - NOVY DOM	Russia	91.2	FC
RU - CLEANING PROFI	Russia	91.2	FC
RU - PROF KLİM	Russia	91.2	FC

Companies	Country	% interest Sept-22	Method of consolidation
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	96.81	FC
BA - ATALIAN GLOBAL SERVICES Banja Luka	Bosnia	96.81	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
FR - AKTRION FRANCE SAS	France	100	FC
BE - AKTRION BELGIUM	Belgium	100	FC
CZ - AKTRION Z.s.r.o	Czech Republic	100	FC
ES - AKTRION IBERIA SRL	Spain	100	FC
HU - AKTRION HUNGARY Kft	Hungary	100	FC
RO - AKTRION ROMANIA SRL	Romania	100	FC
SK - AKTRION SLOVAKIA s.r.o.	Slovakia	100	FC
PL - AKTRION POLAND Sp Z.o.o.	Poland	100	FC
PT - AKTRION PORTUGAL	Portugal	100	FC
DE - AKTRION GmbH	Germany	100	FC
<b>USA</b>			
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
<b>ASIA</b>			
SG - ATALIAN SINGAPORE HOLDING Pte Ltd	Singapore	99	FC
SG - ATALIAN SERVICES Pte Ltd	Singapore	79.2	FC
SG - ATALIAN PEST SOLUTION Pte Ltd	Singapore	79.2	FC
SG - ATALIAN LANDSCAPING SERVICES Pte Ltd	Singapore	79.2	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	99	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

Companies	Country	% interest Sept-22	Method of consolidation
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	99	FC
PH - ATALIAN PHILIPPINES HOLDING Ltd	Philippines	98.99	FC
PH - AGS PHILIPPINES	Philippines	66.33	FC
PH - ABLE	Philippines	59.39	FC
MM - AGS	Myanmar	50.49	FC
MM - MYANMAR ASSURANCE Co Ltd	Myanmar	50.49	FC
KH - AGS CAMBODIA	Cambodia	70.29	FC
KH - AFM CAMBODIA	Cambodia	84.65	FC
IN - AGS FACILITIES PRIVATE LTD	India	99	FC
IN - RAMKY ATALIAN PVT LTD	India	69.3	FC
<b>AFRICA</b>			
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	79.2	FC
MA - CLEAN - CO SERVICES CENTURY	Morocco	79.2	FC
MA - CLEAN - CO SERVICES VIGILANCE	Morocco	79.2	FC
MA - CLEAN - CO SERVICES ENVIRONNEMENT	Morocco	79.2	FC
MA - EXPERT ENVIRONNEMENT (groupe CLEAN - CO)	Morocco	79.2	FC
MA - MEN' EXPERTS ACADEMY	Morocco	79.2	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	51	FC
LB - AGS HOLDING LIBAN	Lebanon	100	FC
<b>UK</b>			
GB - ATALIAN SERVEST HOLDINGS Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST GROUP HOLD Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST GROUP Ltd	United Kingdom	100	FC
GB - SERVEST GROUP Ltd (cleaning)	United Kingdom	100	FC
GB - SERVEST PEST CONTROL Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST SECURITY Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST FOOD CO Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST AMK Ltd	United Kingdom	100	FC
GB - THERMOTEC 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 - THERMOTEC FIRE PROTECTION Ltd	United Kingdom	100	FC
GB - THERMOTEC MECHANICAL SERVICES Ltd	United Kingdom	100	FC

Companies	Country	% interest Sept-22	Method of consolidation
GB - SERVEST AKTRION Ltd	United Kingdom	100	FC
GB - ALPHA FACILITIES MANAGEMENT Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST INTEGRATED SOLUTIONS Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST Ltd	United Kingdom	100	FC
GB - INCENTIVE FM GROUP Ltd	United Kingdom	100	FC
GB - INCENTIVE FACILITIES MANGEMENT Ltd	United Kingdom	100	FC
GB - INCENTIVE SUPPORT SERVICES Ltd	United Kingdom	100	FC
GB - INCENTIVE QAS Ltd	United Kingdom	100	FC
GB - SPECIALIST WINDOW CLEANING Ltd	United Kingdom	100	FC
GB - WES (HOLDINGS) Ltd	United Kingdom	100	FC
GB - WESTON ELECTRICAL & MECHANICAL SERVICES Ltd	United Kingdom	100	FC
GB - INCENTIVE TEC FIRE & SECURITY SYSTEMS Ltd	United Kingdom	100	FC
GB - INCENTIVE CONSULTANCY Ltd	United Kingdom	100	FC
GB - IINCENTIVE TEC Ltd	United Kingdom	100	FC
GB - AIR CONDITIONING ECONOMICS (HOLDINGS) Ltd	United Kingdom	100	FC
GB - ACE ENVIROMENTAL ENGINEERING Ltd	United Kingdom	100	FC
GB - INCENTIVE FM Ltd	United Kingdom	100	FC
GB - INCENTIVE LYNX SECURITY Ltd	United Kingdom	100	FC
GB - ARL SUPPORT SERVICES Ltd	United Kingdom	100	FC
IE - SERVEST IRELAND Ltd	Ireland	100	FC
<b>COMPANIES ACCOUNTED BY EQUITY METHOD</b>			
CITY SERVICES	France	50	EA
LU - BOTEGA INVESTCO SARL	Luxembourg	27.18	EA



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