FINANCIAL REPORT 2022

FACILITY MANAGEMENT

ATALIAN
GLOBAL SERVICES

FINANCIAL REPORT

LA FINANCIÈRE ATALIAN

INVESTORS REPORT

TWELVE MONTHS ENDED AS AT 31 DECEMBER 2022

OPERATING AND FINANCIAL REVIEW

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

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

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

1. OVERVIEW

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

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

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

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

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

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

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

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

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

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

2. FINANCIAL INFORMATION

Management financial measures

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

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

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

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

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

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

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

Overview of reporting segments

We have the two following reporting segments:

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

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

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

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

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

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

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

in millions of euros	For the twelve months ended 31 December 2022	For the twelve months ended 31 December 2021 IFRS5
NET SALES	**2,065.1**	**2,032.1**
Raw materials & consumables used	(425.1)	(418.1)
External expenses	(88.0)	(79.6)
Staff costs	(1,427.5)	(1,372.9)
Taxes (other than on income)	(35.7)	(27.6)
Other recurring operating income and expenses	5.9	17.1
RECURRING EBITDA	**94.7**	**151.0**
Depreciation and amortization, net	(69.3)	(61.4)
Provisions and impairment losses, net	(68.4)	(20.3)
Other income & expenses	(22.6)	(13.1)
OPERATING PROFIT	**(65.6)**	**56.2**
Financial debt cost	*(81.7)*	*(78.4)*
Income from cash and cash equivalents	*0.5*	*0.4*
Net financial debt cost	***(81.2)***	***(78.0)***
Other net financial income and expenses	*(8.7)*	*(4.1)*
NET FINANCIAL EXPENSES	**(89.9)**	**(82.1)**

Income tax expense	(30.3)	(20.1)
NET INCOME / (LOSS) FROM CONTINUING OPERATIONS	(185.8)	(46.0)
Net income / (loss) from discontinued operations	16.9	(1.6)
INCOME / (LOSS) FOR THE PERIOD	(168.8)	(47.6)
Attributable to owners of the company	(172.1)	(52.1)
Attributable to non-controlling interests	3.2	4.5

Net sales

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

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

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

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

By segment:

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

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

Recurring EBITDA

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

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

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

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

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

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

Operating profit

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

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

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

Net income (loss) for the period

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

4. LIQUIDITY AND CAPITAL RESOURCES

Cash flows

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

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

Net cash from (used in) operating activities

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

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

Net cash used in investing activities

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

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

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

Net cash used in financing activities

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

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

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

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

Net Financial Debt Evolution

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

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

5. OUTLOOK

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

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

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

LA FINANCIÈRE ATALIAN

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Bugeaud

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

Commissaire aux Comptes
Membre de la compagnie régionale de Paris

ERNST & YOUNG Audit

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

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

To the Shareholders of La Financière Atalian,

OPINION

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

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

BASIS FOR OPINION

Audit Framework

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

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

Independence

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

EMPHASIS OF MATTER

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

JUSTIFICATION OF ASSESSMENTS

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

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

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

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

SPECIFIC VERIFICATIONS

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

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

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

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

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

The consolidated financial statements were approved by the President.

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

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

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

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

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

Paris and Paris-La Défense, April 28, 2023

The Statutory Auditors
French original signed by

AUDIT BUGEAUD	ERNST & YOUNG Audit
Robert Mirri	Christine Staub

LA FINANCIÈRE ATALIAN

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

CONSOLIDATED INCOME STATEMENT

in millions of euros

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

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

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

in millions of euros

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

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

CONSOLIDATED CASH FLOW STATEMENT

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

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

STATEMENT OF CHANGES IN EQUITY

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

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

APPENDICES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1
GENERAL INFORMATION AND SIGNIFICANT EVENTS

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

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

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

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

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

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

1.1. SIGNIFICANT EVENTS DURING 2022 FINANCIAL YEAR

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

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

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

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

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

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

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

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

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

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

1.1.3. Litigations

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

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

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

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

1.1.4. Impairment of the US Goodwill

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

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

1.1.5. Operating loss

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

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

1.1.6. Other scope movements

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

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

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

1.1.7. Minority interest

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

1.1.8. Legal structure

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

1.1.9. Conflict in Ukraine and Russian operations

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

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

1.2. SIGNIFICANT EVENTS AFTER DECEMBER 31, 2022

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

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

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

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

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

1.2.2 Litigations

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

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

1.3. GOING CONCERN

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

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

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

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

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

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

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

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (IFRS)

2.1. ACCOUNTING POLICIES

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

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

Amendments to IFRS standards and accounting policies

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

Amendments effective since January 1, 2022

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

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

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

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

Amendments effective starting January 1, 2023

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

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

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

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

Use of estimates

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

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

• Going concern

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

• Leases

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

• Revenue recognition

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

• Goodwill impairment testing

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

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

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

• Deferred tax assets

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

• Other provisions

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

• Hyperinflation in Turkey

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

• Others

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

2.2. DISCONTINUED OPERATIONS

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

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

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

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

2.2.1. Net Income / loss from discontinued operations

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

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

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

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

2.2.2. Assets and liabilities held for sale

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

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

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

2.2.3. Cash flow from discontinued operations

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

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

2.3. CONSOLIDATION

2.3.1. Financial year-end

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

2.3.2. Consolidation methods and scope of consolidation

Subsidiaries

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

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

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

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

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

Associates

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

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

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

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

Other investments

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

Number of entities and changes in the scope of consolidation

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

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

2.3.3. Translation of the financial statements of foreign subsidiaries

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

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

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

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

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

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

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

2.3.4. Translation of foreign-currency transactions

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

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

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

2.3.5. Financial risks

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

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

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

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

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

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

Foreign Currency Fair Value Hedge

Breakdown of financial instruments designated as fair value hedges:

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

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

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

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

Hedge of a net investment in a foreign operation

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

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

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

Interest rate fair value hedge

Breakdown of financial instruments designated as fair value hedges:

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

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

Currency risk

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

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

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

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

Interest-rate risk

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

Counterparty risk

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

Credit risk

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

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

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

2.3.6. Related parties

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

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

2.4. STATEMENT OF CASH FLOWS

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

Net cash and cash equivalents – whose movements are analysed in the statement of cash flows – are defined as cash and cash equivalents less short-term bank loans and overdrafts.
As explained in Note 2.2 the net cash flows attributable to the operating, investing, and financing activities of the discontinued operations is separately presented on the face of the cash flow statement, in accordance with IAS 7.8.

NOTE 3
SEGMENT REPORTING

Identification of segments

The group has identified two operating segments that correspond to the geographical location of the assets as follows:
- A "France" division, comprising all of the companies located in France.
- An "International" division, comprising all the companies excluding France companies (i.e. mainly CEE, Benelux, the USA), which definition changed as compared to previous year due to the application of IFRS 5.

Segment indicators

For each of its operating segments, the Group presents the following income statement items:
- Revenue
- Operating profit before depreciation, amortisation, provisions and impairment losses.

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

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

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

NOTE 4
OPERATING PROFIT

Net sales

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

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

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

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

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

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

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

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

Operating profit before depreciation, amortisation, provisions and impairment losses

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

Government measures

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

Transactions between continuing and discontinued operations

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

Employment costs

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

Depreciation and amortisation

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

Other income and expenses

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

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

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

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

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

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

NOTE 5
NON-CURRENT ASSETS

5.1. GOODWILL

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

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

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

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

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

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

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

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

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

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

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

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

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

5.1.1. Movements

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

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

5.1.2. Breakdown of goodwill by CGU

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

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

5.1.3. CGU impairment testing

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

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

WACC assumptions

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

i. Cost of Equity which is determined based on the interaction of several parameters – CAPM model used to define it
ii. Risk free rate: based on the 10 years Yield where applicable of governmental bonds for CGU regions
iii. Beta: measures the systematic risk of the asset as compared to its market (ie correlation and magnitude)
iv. Equity, Country, size and company specific risk premium: determines the incremental return expected as compared to the risk-free rate depending on the country, size and specificity of the company environment.

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

Results

Impairment losses were recorded as of December 31, 2022 regarding the US operations for an amount of €(71.8) million and fully allocated to the Goodwill attributed to the US entities.
Regarding CGUs, all other factors remaining constant, in the event of a 0.50% increase in the discount rate or a 0.50% decrease in the long-term growth rate the recoverable amount of the CGUs would be reduced by the amounts shown in the table below without triggering any impairment:

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

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

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

5.2. INTANGIBLE ASSETS

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

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

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

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

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

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

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

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

5.3. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

Leases:

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

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

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

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

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

5.4. INVESTMENTS IN ASSOCIATES

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

5.5. OTHER NON-CURRENT FINANCIAL ASSETS

Classification

Other non-current financial assets mainly comprise

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

Recognition and measurement

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

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

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

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

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

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

5.6. NON-CURRENT TAX ASSETS AND LIABILITIES

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

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

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

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

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

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

5.6.1. Main sources of deferred taxes by nature

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

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

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

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

5.6.2. Recovery periods for deferred tax assets

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

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

5.6.3. Tax base of unrecognised deferred tax assets

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

NOTE 6
CURRENT ASSETS

6.1. INVENTORIES

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

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

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

6.2. PREPAYMENTS

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

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

6.3. TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value.

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

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

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

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

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

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

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

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

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

6.5. CASH AND CASH EQUIVALENTS

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

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

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

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

NOTE 7
EQUITY

7.1. SHARE CAPITAL AND SHARE CAPITAL PREMIUM

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

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

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

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

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

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

7.2. TRANSACTIONS RECOGNISED DIRECTLY IN EQUITY

7.2.1 Currency translation reserve

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

in millions of euros

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

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

NOTE 8
PROVISIONS

8.1. PROVISIONS RELATED TO PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

8.1.1. Provisions related to pensions

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

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

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

Retirement benefits (IFC) scheme in France

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

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

Mains actuarial assumptions used in 2022 are:

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

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

in millions of euros

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

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

in millions of euros

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

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

in millions of euros

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

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

in millions of euros

EXPECTED BENEFIT PAYMENT	FRANCE
2023	4.9
2024	1.9
2025	2.5
2026	3.6
2027	3.5
2028/2032	6.5
TOTAL	22.9

SENSITIVITY ANALYSIS

The effect of a +/- 0.25% change in the discount rate on the 2022 Defined Benefit Obligations (DBO) in France is as follows:

IN FRANCE in millions of euros	Discount rate - 0.25%	Discount rate + 0.25%
DBO Impact	0.3	(0.3)

8.1.2. Provisions related to other employee benefits

The evolution of Group's provisions related to other employee benefits between 2021 and 2022 is an increase from €6.0 million to €10.4 million.

Turkey
In accordance with existing social legislation (Turkish Labor Law), the Group is required to make lumps-sum termination indemnities to each employee who has completed one year of service within the Group and whose employment is terminated due to retirement or for reason other than resignation or misconduct.

The Group grants employee benefits to each employee who has qualified for such benefits as the employment ended. This scheme is qualified as other long term liability provision with an amount of €1.0 million as at December 31, 2022 (€0.5 million as at December 31, 2021).

USA
The Group grants a work accident compensation to their employees in USA (Workers compensation – WC) and recognises also a provision for General litigation (GL). These schemes are qualified as a provision related to other employee benefits, for a total amount of €9.2 million.

8.2. OTHER PROVISIONS

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

in millions of euros	Legal and labour related cases	Other	TOTAL
DECEMBER 31, 2020	12.3	30.2	42.6
Currency translation differences	(0.2)	0.9	0.7
Changes in accounting methods and Group structure	0.2	(0.2)	0.0
Allowances of the period	6.7	20.4	27.1
Releases	(5.7)	(4.0)	(9.7)
DECEMBER 31, 2021	13.3	47.3	60.6
Currency translation differences	(0.1)	(0.2)	(0.3)
Changes in accounting methods and Group structure*	(0.3)	(12.9)	(13.1)
Allowances of the period	4.6	5.5	10.2
Releases	(6.7)	(24.6)	(31.3)
DECEMBER 31, 2022	11.0	15.1	26.1

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

Following split is provided by CGU or Group of CGUs:

in millions of euros	Legal and labour related cases	Other	TOTAL
France	9.6	9.0	18.6
International	0.5	4.9	5.4
Corporate Holdings	0.9	1.2	2.1
DECEMBER 31, 2022	11.0	15.1	26.1

in millions of euros	Releases	Allowances
France	(8.2)	6.2
International	(6.4)	1.9
Corporate Holdings	(16.7)	2.1
DECEMBER 31, 2022	(31.3)	10.2

According to the agreed terms of the judicial convention of public interest (CJIP) concluded on January 17, 2022, the Group paid €15.5 million on April 4, 2022 to the French public Treasury (Ministry of Finance) and reversed the corresponding provision booked in its accounts as at December 31, 2021 (see Note 1.1.3. Litigations). The effective costs and the reversal of the provision are both recognized on the line Provision and impairment loss, net of the Consolidated income statement.

NOTE 9
LONG- AND SHORT-TERM FINANCIAL LIABILITIES

The information presented in this note includes the financial liabilities classified as held for sale in the face of the Consolidated Statement of Financial Positions which refer to intercompany financing towards the UK and Asia. It aims at displaying a fair presentation of the Group indebtedness which is mainly hold by the holding company La Financière Atalian.

9.1. BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

Financial liabilities	**Short-term**	**Long-term**		**Total**
in millions of euros	**Due within 1 year**	**Due in 1 to 5 years**	**Due beyond 5 years**	**December 31, 2022**
– Bonds*	4.6	1,217.9	-	1,222.5
– RCF	103.0	-	-	103.0
– Finance lease liabilities	32.8	49.5	14.6	96.9
– Factoring loans	-	-	-	-
– Other borrowings and financial liabilities	1.0	-	-	1.0
TOTAL INTEREST-BEARING BORROWINGS AT DECEMBER 31, 2022	**141.4**	**1,267.4**	**14.6**	**1,423.4**
TOTAL INTEREST-BEARING BORROWINGS AT DECEMBER 31, 2021	**71.6**	**1,291.8**	**17.7**	**1,381.1**

** bonds net of outstanding issuance costs of €(10.7) million. Issuance costs expensed in 2022 amounted to €(5.4) million.*

On 2 June 2020, the Group concluded a Term Loan guaranteed by the French State ("PGE") of €50.0 million with its main banking partners. This €50.0 million term loan had an initial maturity of 1 year and was extended for 1 year to June 2022. At the end of June 2022 the PGE had been fully repaid (see Note 10).

The Group has a revolving credit facility of €103.0 million maturing in April 2023. As of December 31, 2022 the RCF was fully drawn.
As per RCF, LFA shall ensure that the Secured Debt incurred by any member of the Group shall not exceed at any time in aggregate higher of (i) €465.0 million or (ii) 17.5% of the Total Assets.

This financing is subject to a financial covenant based on the Group's consolidated accounts. Secured Leverage Ratio (SLR) shall not exceed 1.75x. As of December 31, 2022 the financial covenant was respected. The Group has reimbursed its credit revolving facility according to its maturity per April 22, 2023.

On 5 May 2017, the Group issued a €625.0 million bond maturing in 15 May 2024 (i.e. 7 years) and bearing a coupon of 4.0%.

On 9 May 2018, with the acquisition of Servest, the Group issued two new bonds maturing on 15 May 2025 for €350.0 million and £225.0 million, respectively bearing a coupon of 5.125% and 6.625%.

These financings are subject to limited financial covenants based on the Group's consolidated accounts. At December 31, 2022 all these financial covenants were respected.

9.2. CONFIRMED CREDIT LINES

in millions of euros	Confirmed lines	Utilised lines
Bonds*	1,228.6	1,228.6
Bank borrowings**	104.8	104.8
Factoring loans***	293.3	213.8
TOTAL	**1,626.7**	**1,547.2**

** Principal, excluding issuance costs. Based on an average market value as of December 31, 2022, the fair value would amount to €939.7 million. Accrued coupon (€4.6 million) must also be taken into account if one wants to compare fair market value with accounting value.*
*** of which RCF €103 million with a maturity date in April 2023.*
**** All immediate financing from derecognised factoring contracts.*

9.3. FACTORING

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

In 2022, the UK non-recourse factoring facility has been increased by £15.0 million from £50.0 million to £65.0 million.

The non-recourse facility of €220.0 million (covering France, Belgium, Czech Republic and Poland) was extended to September 2024 in March 2023 and increased by €30.0 million to €250 million.

As at December 31, 2022, all of these contracts involved the transfer of substantially all the risks and rewards of ownership of the receivables concerned to the factoring companies, enabling the sold receivables to be derecognised. The amount of the derecognised receivables totaled €301.9 million at the year-end, providing the Group with €213.8 million of immediate financing with the difference corresponding to €25.5 million security deposit and €62.6 million to factor current account and client payments not yet deducted. The amount of immediate financing provided by deconsolidated receivables was €214.0 million as of December 31, 2021.

In addition, the Group had factored receivables for which the Group has not transferred substantially all the risks and rewards of ownership are not derecognised and remain recorded in the balance sheet under "Trade receivables", with the recognition of a corresponding financial liability. Immediate financing provided by these receivables totaled €1.2 million as of December 31, 2021, and were 0 as of December 31, 2022.

The Group has been mandated by the factoring companies to manage on their behalf the recovery of the receivables that have been sold to them.

9.4. VARIATION OF CURRENT AND NON-CURRENT FINANCIAL DEBT

in millions of euros	December 31, 2021	Cash impact		Non-cash impact & Others	December 31, 2022
		Increase	Decrease		
NON-CURRENT FINANCIAL DEBT	**1,309.5**	**-**	**-**	**(27.5)**	**1,282.0**
of which debts from bonds	*1,226.7*	-	-	*(8.7)*	*1,217.9*
of which debts from RCF	-	-	-	-	-
of which debts from leasing	*77.8*	-	-	*(13.7)*	*64.1*
of which debts from factoring	-	-	-	,	-
of which debts from others	*5.1*	-	-	*(5.1)*	-
CURRENT FINANCIAL DEBT	**71.6**	**114.0**	**(89.2)**	**44.8**	**141.4**
of which debts from bonds	*4.8*	-	-	*(0.2)*	*4.6*
of which debts from RCF	-	*103.0*	-	-	*103.0*
*of which debts bank borrowing and others**	*30.9*	*11.0*	*(45.6)*	*4.6*	*1.0*
*of which debts from leasing ***	*34.8*	-	*(42.4)*	*40.4*	*32.8*
of which debts from factoring	*1.2*	-	*(1.2)*	-	-
Gross debt	**1,381.1**	**114.0**	**(89.2)**	**17.3**	**1,423.4**
Financial instrument	2.2	-	-	(0.7)	1.5
GROSS DEBT INCL. FINANCIAL INSTRUMENT	**1,383.3**	**114.0**	**(89.2)**	**16.7**	**1,424.9**

** The variation includes €25.0 million of repayment in the first half year, of the French State guaranteed loan (PGE) which was fully repaid at the end of June 2022.*
*** The non cash impact on debt from leasing is related to the new IFRS16 lease contracts in 2022.*

NOTE 10
CHANGES IN NET DEBT

in millions of euros	December 31, 2022	December 31, 2021
Cash and cash equivalents *	91.1	157.0
Short-term bank loans and overdrafts **	(10.1)	(3.8)
NET CASH AND CASH EQUIVALENTS	**81.0**	**153.2**
Non-current financial liabilities	(1,282.0)	(1,309.5)
of which debts from leasing	*(64.1)*	*(77.8)*
Current financial liabilities ***	(141.4)	(71.6)
of which debts from leasing	*(32.8)*	*(34.8)*
GROSS DEBT	**(1,423.4)**	**(1,381.1)**
Financial instrument (liability)	(1.5)	(2.2)
DEBT	**(1,424.9)**	**(1,383.3)**
NET DEBT	**(1,343.9)**	**(1,230.1)**

** Net cash and cash equivalents as analysed in the statement of cash flows.*
*** Only overdrafts as at December 21, 2022 in accordance with IAS 7.8.*
**** Movements for the period mainly correspond to the change in debt resulting from the PGE and from factoring contracts not involving the transfer of substantially all the risks and rewards of ownership.*

Net debt after adding back immediate financing provided by the derecognised factoring contracts of €213.8 million as of December 31, 2022 (€214.0 million as of December 31, 2021) would amount to €(1,557.7) million as of December 31, 2022 (€(1,444.1) million as of December 31, 2021).

Government measures

In response to the Covid-19 pandemic, government implemented social, tax and economic stimulus measures to assist entities. These measures included in France a French State guarantee scheme for Large Corporates. Atalian exercised on 16 April 2021 the extension option for 1 additional year of the French State Guaranteed Loan of €50 million ('PGE'), the new maturity was June 2022. The loan has been repaid in quarterly installments of €12.5 million each, two repayments occurred in September and December 2021 one in March 2022 and the last one in June 2022.

NOTE 11
OTHER CURRENT LIABILITIES

11.1. OTHER CURRENT LIABILITIES

in millions of euros	December 31, 2022	December 31, 2021
PREPAYMENTS FROM CUSTOMERS	13.9	9.0
TRADE PAYABLES*	209.7	325.3
CURRENT TAX LIABILITIES	5.7	10.0
OTHER CURRENT LIABILITIES**	390.8	502.2
LIABILITIES RELATED TO PAYROLL TAX CREDIT PREFINANCING	-	31.4
OTHER CURRENT LIABILITIES	390.8	502.2
Employee-related liabilities	*154.7*	*201.2*
Social Security payables	*96.8*	*113.0*
Other accrued taxes	*102.1*	*141.0*
Other current payables	*31.1*	*39.3*
Deferred income	*6.1*	*7.8*

** The variation is mainly linked to liabilities classified as discontinued operations (€91 million)*
*** The variation is mainly linked to liabilities classified as discontinued operations (€107 million)*

Customer prepayments

This item includes include advances and down payments received from clients for the commencement of building works contracts.

Debts related to pre-financing CICE

Before the transformation of the CICE in January 2019, the Group pre-financed its future CICE tax credit receivables through the Banque Publique d'Investissement (BPI) and sold to BPI its estimated future receivables as a guarantee for financing received from BPI. These positions have been settled during 2022.

11.2. SHORT-TERM BANK LOANS AND OVERDRAFTS

The Group's short-term bank loans and overdrafts – which are mainly denominated in euros – amounted to €10.1 million at December 31, 2022 compared with €3.8 million at December 31, 2021. Bank credit balances and current bank overdrafts are mainly held in euros.

NOTE 12
FINANCE COSTS, NET & OTHER NET FINANCIAL INCOME AND EXPENSES

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

- Finance costs, net, which include interest paid on the Group's borrowings and interest received on available cash.
- Other financial income and expenses.

12.1. BREAKDOWN OF NET FINANCE DEBTS COST

in millions of euros	December 31, 2022	December 31, 2021 IFRS5
Financial expenses	(81.7)	(78.4)
Financial income	0.5	0.4
NET FINANCIAL DEBT COST	(81.2)	(78.0)
Analysis:		
– Net interest on borrowings	(74.9)	(71.5)
– Income from cash and cash equivalents	0.5	0.4
– Interest on leases	(6.8)	(6.9)
TOTAL	(81.2)	(78.0)

12.2. BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros	December 31, 2022	December 31, 2021 IFRS5
Net (additions to)/reversals of provisions for financial items	(2.7)	(1.5)
Foreign exchange gains and losses	(7.3)	(1.1)
Other	1.3	(1.5)
OTHER FINANCIAL INCOME AND EXPENSES	(8.7)	(4.1)

The line Other includes the impact of hyperinflation IAS 29 accounting treatment in Turkey for €1.9 million.

NOTE 13
LEASES

The Group has chosen to apply these two capitalization exemptions proposed by the standard:
- contracts with a lease term of less than 12 months
- contracts with value of underlying assets of less than €5,000. Expenses relating to contracts with a term of less than 12 months and/or with a value of less than €5,000 and (for which the Group has chosen exemptions which are provided for in IFRS 16) represent: €9.6 million for the Group as a whole as at December 31, 2022.

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

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

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

13.1. FIXED ASSETS

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

in millions of euros	December 31, 2022
Tangible assets excluding Right-of-use	36.0
Right-of-use	92.8
TOTAL	**128.8**
Intangible assets	10.7
TOTAL	**10.7**

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

13.2. BREAKDOWNS OF RIGHT-OF-USE

GROSS in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
DECEMBER 31, 2021	76.2	78.2	52.8	1.7	208.9
Currency Translation differences	1.5	(1.5)	(0.3)	-	(0.2)
Impact assets held for sale and discontinued operations	(6.3)	(30.2)	(1.0)	(0.9)	(38.5)
Changes in Group structure	(0.5)	(0.7)	0.5	-	(0.6)
Acquisitions	21.1	33.5	19.8	1.2	75.6
Disposals, reductions and others	(19.9)	(21.8)	(14.6)	(0.6)	(56.8)
DECEMBER 31, 2022	72.2	57.4	57.3	1.5	188.4

AMORTISATION AND LOSS OF VALUE in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
DECEMBER 31, 2021	(29.6)	(38.9)	(33.0)	(0.7)	(102.1)
Currency Translation differences	(0.1)	0.5	0.1	-	0.5
Impact assets held for sale and discontinued operations	2.2	12.0	0.2	0.3	14.7
Changes in Group structure	0.3	0.4	0.4	-	1.1
Depreciation expense	(12.9)	(25.9)	(14.5)	(0.4)	(53.6)
Disposals, reductions and others	11.0	19.2	13.1	0.6	43.8
DECEMBER 31, 2022	(29.0)	(32.7)	(33.8)	(0.2)	(95.6)

NET in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
DECEMBER 31, 2021	46.7	39.3	19.8	1.1	106.8
DECEMBER 31, 2022	43.3	24.7	23.5	1.3	92.8

NOTE 14
INCOME TAX EXPENSE

CVAE

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

14.1. BREAKDOWN OF THE NET TAX CHARGE

in millions of euros	December 31, 2022 France	December 31, 2022 Other countries	December 31, 2022 Total	December 31, 2021 France	December 31, 2021 Other countries	December 31, 2021 Total
Current income taxes	(1.8)	(2.5)	(4.3)	(5.6)	(4.3)	(9.9)
Deferred taxes	(10.8)	(7.2)	(18.1)	(5.7)	3.1	(2.6)
CVAE	(7.9)	-	(7.9)	(7.6)	-	(7.6)
TOTAL	**(20.5)**	**(9.7)**	**(30.3)**	**(18.9)**	**(1.2)**	**(20.1)**

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

in millions of euros	2022	2021
Net income from continuing operations	(185.8)	(46.0)
Income taxes	(30.3)	(20.1)
Pre-tax income excl. Equity entities	(155.5)	(25.9)
French corporate income tax rate	25.83%	28.40%
THEORETICAL TAX EXPENSE	**40.2**	**7.3**
Difference between French and foreign income tax rates	0.3	0.4
Permanent differences	4.7	(6.6)
Effect of unrecognised deferred tax assets*	(40.3)	(16.7)
Other	(26.5)	3.1
INCOME TAX EXPENSE	**(22.4)**	**(12.5)**
Other taxes (CVAE)	(7.9)	(7.6)
TOTAL INCOME TAX EXPENSE	**(30.3)**	**(20.1)**

**mainly related to the losses of the current year*

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

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

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

The Atalian Group has three tax groups in France ("La Financière Atalian", "Atalian Propreté", "Atalian Sûreté"), as well as tax groups in the US.

NOTE 15
OFF-BALANCE SHEET COMMITMENTS

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

15.1. GUARANTEE COMMITMENTS

in millions of euros	December 31, 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Pledges, mortgages and collateral	1.0	0.0	0.0	1.0
Guarantees and endorsements given	61.8	32.3	4.7	24.8
Out of which disposed African entities*	2.1	0.4	0.0	1.7
Out of which entities from discontinued activities**	5.0	1.4	0.8	2.8
TOTAL GUARANTEE COMMITMENTS GIVEN	**62.8**	**32.3**	**4.7**	**25.8**

** Comfort letters related disposed African entities, not yet formally released at year end 2022, and will be released in 2023.*
*** Guarantees and endorsements given to entities from discontinued activities still outstanding at year end 2022, and will be released following the closing of the transaction.*

When the expiry date of guarantees and endorsements given is not specified, they have been classified as "due within 1 year". Atalian Financials' senior notes issued in May 2017 and May 2018 are guaranteed by certain subsidiaries for the amount they received for each issue.

Senior notes	Issuer	Amounts	Guarantor *
Senior Notes 2025 (issue 2018)	La Financière Atalian	€350 million & £225 million	Atalian SASU Atalian Europe SA Atalian Global Services UK2 Ltd**
Senior Notes 2024 (issue 2017)	La Financière Atalian	€625 million	Atalian SASU Atalian Propreté Atalian Europe SA Atalian Global Services UK2 Ltd**

** Amount of the guarantee limited to the portion of the amount of the issue for which the subsidiary concerned has benefited*
*** Following the disposal of the UK entities per February 28, 2023, this entity will then no longer be a Guarantor*

15.2. MISCELLANEOUS CONTRACTUAL COMMITMENTS

in millions of euros	December 31, 2022	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Commitments from factoring companies [1]	293.3	293.3	0.0	0.0
RCF [2]	103.0	103.0	0.0	0.0
TOTAL MISCELLANEOUS CONTRACTUAL COMMITMENTS RECEIVED	**396.3**	**396.3**	**0.0**	**0.0**

[1] of which €213.8 million have been used. The part related to assets held for sale represents €73.3 million of which €46.2 million has been used.
[2] completely drawn at December 31, 2022

The non-recourse facility of €220 million was extended to September 2024 in March 2023 and increased by €30 million to €250 million (see Note 9.3).

15.3. COLLATERAL GRANTED

The shares held by Atalian SASU in the capital of Atalian Propreté, which represent 90.5% of the share capital, are pledged to Atalian SASU's lenders under the syndicated loan agreement entered into by Atalian SASU for an initial amount of €75.0 million. This amount was increased to €98.0 million on 24 July 2018 and then to €103.0 million on 9 January 2019.

NOTE 16
HEADCOUNT

	2022	2021
- Managers	615	716
- Supervisors	6,201	6,231
- Other employees	25,132	25,450
TOTAL FRANCE	31,948	32,397
INTERNATIONAL	22,760	27,878
TOTAL AVERAGE NUMBER OF EMPLOYEES	54,708	60,275

The FTE (Full Time Equivalent) for the entities (UK, Aktrion and Asia) reported as discontinued activities aren't disclosed for 2021 and 2022.

For International, the reduction of FTE (Full Time Equivalent) mostly come from the sale of the African entities.

NOTE 17
OTHER NOTES

17.1. BREAKDOWN OF STATUTORY AUDITORS' FEES

2022 Audit Fees for the Statutory Auditors and members of their networks for their audit of the consolidated financial statements of La Financière Atalian and its subsidiaries can be analysed as follows.

	December 31, 2022			December 31, 2021		
in millions of euros	Bugeaud	EY	Total	Bugeaud	EY	Total
Audit of individual or consolidated accounts by the Statutory Auditors or members of their network						
- La Financière ATALIAN	0.4	0.4	**0.8**	0.4	0.4	**0.8**
- Subsidiaries	0.5	2.9	**3.4**	0.5	2.7	**3.2**
Services other than auditing provided by the Statutory Auditors or members of their network*						
- La Financière ATALIAN	-	2.9	**2.9**	-	0.6	**0.6**
- Subsidiaries	-	0.3	**0.3**	-	1.6	**1.6**
TOTAL	0.9	6.5	7.4	0.9	5.3	6.2
- La Financière ATALIAN	0.4	3.3	**3.7**	0.4	1.0	**1.4**
- Subsidiaries	0.5	3.2	**3.7**	0.5	4.3	**4.8**

Audit of individual or consolidated accounts by the Statutory Auditors or members of their network
Services other than auditing provided by the Statutory Auditors or members of their network*

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

17.2. LITIGATION AND CLAIMS

In the ordinary course of the business, Atalian is involved in a certain number of judicial proceedings.
Atalian is also subject to certain claims and lawsuits which fall outside the scope of ordinary course of its business, the most significant being disclosed on Note 1.2 Significant event after December 31, 2022.

The amount of provisions made is based on Atalian's assessment of the level of risk on a case-by-case basis and depends on its assessment of the basis for the claims, the stage of the proceedings and the arguments in its defense, it being specified that the occurrence of events during proceeding may lead to a reappraisal of the risk at any moment.

NOTE 18
LIST OF CONSOLIDATED ENTITIES

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
FULLY CONSOLIDATED COMPANIES			
FRANCE			
STRUCTURE			
LA FINANCIÈRE ATALIAN	France	100	FC
ATALIAN	France	100	FC
ATALIAN SERVICES INFORMATIQUES	France	100	FC
ATALIAN FACILITIES	France	100	FC
SCI SAINT APOLLINAIRE	France	100	FC
SCI AMPÈRE LA MAINE	France	100	FC
SCI FJ PART INVEST France	France	100	FC
CLEANING			
DRX	France	90.5	FC
TNEX	France	90.5	FC
ATALIAN PROPRETE	France	90.5	FC
EPPSI	France	90.5	FC
USP NETTOYAGE	France	90.5	FC
CARRARD SERVICES	France	90.5	FC
PROBUS	France	90.5	FC
DPS	France	90.5	FC
FINANCIERE DES SERVICES	France	90.5	FC
LIMPA	France	90.5	FC
BBA	France	90.5	FC
ATALIAN 3D	France	100	FC
SECURITY			
ATALIAN SÉCURITÉ HOLDING	France	100	FC
ATALIAN SÉCURITÉ	France	100	FC
ATALIAN SÛRETÉ	France	94.84	FC
AIRPORT PASSENGERS & FREIGHT SECURITY	France	94.13	FC
ATALIAN SÉCURITÉ TECHNOLOGIQUE	France	94.84	FC
SURVEILLANCE HUMAINE ATALIAN PREMIUM	France	100	FC
APFS Lyon	France	94.13	FC
MULTITECHNICAL			
ATALIAN INGÉNIERIE DES SERVICES	France	100	FC
MAINTENANCE TECHNIQUE OPTIMISÉE (MTO)	France	100	FC
EUROGEM	France	100	FC
ETS DIDIER BERNIER	France	100	FC
ERGELIS	France	100	FC
GROUPE CADIOU	France	100	FC
ARCEM	France	100	FC
CEI	France	100	FC
PPR			
TFN PPR	France	100	FC

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
LETUVE	France	100	FC
GERMOT	France	100	FC
INTERNATIONAL			
EUROPE			
BE-ATALIAN MANAGEMENT SERVICES NV	Belgium	100	FC
BE-TEMCO REAL ESTATE BVBA	Belgium	100	FC
BE-ATALIAN SA	Belgium	100	FC
BE - GREEN KITCHEN	Belgium	100	FC
BE - ATALIAN BUILDING SOLUTIONS NV	Belgium	100	FC
BE - ATALIAN GLOBAL SERVICES HOLDING	Belgium	100	FC
LU-ATALIAN GLOBAL SERVICES Luxembourg	Luxembourg	100	FC
LU-ATALIAN EUROPE	Luxembourg	100	FC
LU-MTO Luxembourg	Luxembourg	100	FC
LU-CITY ONE Luxembourg	Luxembourg	50	FC
LU-ATALIAN INTERNATIONAL	Luxembourg	100	FC
LU-ATALIAN AFRIQUE	Luxembourg	100	FC
NL-ATALIAN SCHOONMAAK ZW BV	Netherlands	100	FC
NL-ATALIAN BV	Netherlands	100	FC
NL-ATALIAN FACILITAIR BV	Netherlands	100	FC
NL-GREEN KITCHEN BV	Netherlands	100	FC
NL-ATALIAN SCHOONMAAK NO BV	Netherlands	100	FC
NL-ATALIAN SCHOONMAAK+ BV	Netherlands	100	FC
CZ-ATALIAN CZ sro	Czech Republic	100	FC
CZ-ATALIAN SERVIS CZ sro	Czech Republic	100	FC
CZ-AGUA PRAGUE sro	Czech Republic	100	FC
HU-ATALIAN GLOBAL SERVICES HUNGARY	Hungary	100	FC
HU-ATALIAN FACILITY MANAGEMENT & GLOBAL SERVICES	Hungary	100	FC
HR-ATALIAN GLOBAL SERVICES	Croatia	96.81	FC
HR - TEHINSPEKT	Croatia	73.57	FC
RO-ATALIAN ROMANIA	Romania	100	FC
RO-IQ REAL ESTATE	Romania	100	FC
RO-MT&T PROPERTY MANAGEMENT SRL	Romania	100	FC
SK-ATALIAN	Slovakia	100	FC
PL-ATALIAN POLAND	Poland	100	FC
PL-ASPEN HOLDING	Poland	100	FC
PL-ASPEN Sp. Z.o.o.	Poland	100	FC
PL-ASPEN SERWIS	Poland	100	FC
PL-ATALIAN SERVICE	Poland	100	FC
TR-ATALIAN ENTEGRE TESIS YONETIMI HIZMETLERI A.S	Turkey	100	FC
TR-EKOL TEKNIK TEMIZLIK BAKIM YÖNETIM HIZMETLERI ve TICARET A.S	Turkey	100	FC
TR-E GRUP GÜVENLIK HIZMETLERI Ltd. STI	Turkey	100	FC
TR-EVD ENERGY	Turkey	100	FC
RU-ATALIAN GLOBAL SERVICES	Russia	98	FC
RU-ATALIAN ENGINEERING	Russia	98	FC
RU-ESPRO ENGINEERING	Russia	98	FC
RU-NOVY DOM	Russia	92.1	FC

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
RU-CLEANING PROFI	Russia	92.1	FC
RU-PROF KLIM	Russia	92.1	FC
RU-AFM2	Russia	98	FC
BY - ATALIAN	Belarus	65	FC
RS-ATALIAN LTD BELGRADE	Serbia	100	FC
RS-ATALIAN GLOBAL SERVICES - RS DOO BEOGRAD	Serbia	100	FC
RS-MOPEX TEKUCE ODRZAVANJE D.o.o.	Serbia	100	FC
BA-ATALIAN GLOBAL SERVICES BH d.o.O. Sarajevo	Bosnia	96.81	FC
BA-ATALIAN GLOBAL SERVICES Banja Luka	Bosnia	96.81	FC
USA			
US-ATALIAN GLOBAL SERVICES INC	United States	100	FC
US-ATALIAN US NORTHEAST LLC	United States	100	FC
US-ATALIAN US SHARED SERVICES LLC	United States	100	FC
US-SPARTAN SECURITY SERVICES INC	United States	100	FC
US-ATALIAN US OHIO VALLEY INC	United States	100	FC
US-ATALIAN US NEW ENGLAND LLC	United States	100	FC
US-ATALIAN US MIDWEST LLC	United States	100	FC
CA-ATALIAN CANADA	Canada	100	FC
ASIA			
IN - RAMKY ATALIAN PVT LTD	India	70	FC
AFRICA			
MU-ATALIAN INTERACTIVE	Mauritius	100	FC
LB-ATALIAN SWITCH GROUP	Lebanon	51	FC
LB-AGS HOLDING LIBAN	Lebanon	100	FC

COMPANIES IMPACTED BY IFRS5			
UK			
GB - ATALIAN SERVEST HOLDINGS LIMITED	United Kingdom	100	FC
GB - ATALIAN SERVEST GROUP HOLD Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST GROUP Ltd	United Kingdom	100	FC
GB - SERVEST GROUP Ltd (cleaning)	United Kingdom	100	FC
GB - SERVEST PEST CONTROL Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST SECURITY Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST FOOD CO Ltd	United Kingdom	100	FC
GB - ATALIAN SERVEST AMK Ltd	United Kingdom	100	FC
GB - THERMOTECH SOLUTIONS Ltd	United Kingdom	100	FC
GB - ENSCO 1194 Ltd	United Kingdom	100	FC
GB - FIRE AND AIR SERVICES Ltd	United Kingdom	100	FC
GB - OAKWOOD TECHNOLOGY GROUP Ltd	United Kingdom	100	FC
GB - OAKWOOD AIR CONDITIONING Ltd	United Kingdom	100	FC
GB - THERMOTECH FIRE PROTECTION Ltd	United Kingdom	100	FC
GB - THERMOTECH MECHANICAL SERVICES Ltd	United Kingdom	100	FC
GB - SERVEST AKTRION Ltd	United Kingdom	100	FC
GB - ALPHA FACILITIES MANAGEMENT	United Kingdom	100	FC
GB - ATALIAN SERVEST INTEGRATED SOLUTIONS Ltd	United Kingdom	100	FC

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
GB - ATALIAN SERVEST Ltd	United Kingdom	100	FC
GB - INCENTIVE FM GROUP Ltd	United Kingdom	100	FC
GB - INCENTIVE FACILITIES MANAGEMENT Ltd	United Kingdom	100	FC
GB - INCENTIVE SUPPORT SERVICES Ltd	United Kingdom	100	FC
GB - INCENTIVE QAS Ltd	United Kingdom	100	FC
GB - SPECIALISED WINDOW CLEANING Ltd	United Kingdom	100	FC
GB - WES (HOLDINGS) Ltd	United Kingdom	100	FC
GB - WESTON ELECTRICAL & MECHANICAL SERVICES Ltd	United Kingdom	100	FC
GB - INCENTIVE TEC FIRE & SECURITY SYSTEMS Ltd	United Kingdom	100	FC
GB - INCENTIVE CONSULTANCY Ltd	United Kingdom	100	FC
GB - INCENTIVE TEC Ltd	United Kingdom	100	FC
GB - AIR CONDITIONING ECONOMICS (HOLDINGS) Ltd	United Kingdom	100	FC
GB - ACE ENVIRONMENTAL ENGINEERING Ltd	United Kingdom	100	FC
GB - INCENTIVE FM Ltd	United Kingdom	100	FC
GB - INCENTIVE LYNX SECURITY Ltd	United Kingdom	100	FC
GB - ARL SUPPORT SERVICES Ltd	United Kingdom	100	FC
IE - SERVEST IRELAND Ltd	Ireland	100	FC
ASIA			
SG-ATALIAN SINGAPORE HOLDING Pte Ltd	Singapore	100	FC
SG-ATALIAN SERVICES Pte Ltd	Singapore	80	FC
SG-ATALIAN PEST SOLUTIONS Pte Ltd	Singapore	80	FC
SG-ATALIAN LANDSCAPING SERVICES Pte Ltd	Singapore	80	FC
SG-ATALIAN ASIA HOLDING LIMITED	Singapore	100	FC
HK-ATALIAN ASIA HOLDING LIMITED	Hong-Kong	100	FC
TH- ATALIAN HOLDING THAILAND	Thailand	100	FC
TH-ATALIAN FACILITIES MANAGEMENT Co	Thailand	100	FC
TH-AGS THAILAND	Thailand	100	FC
TH-ATALIAN PGS SECURITY THAILAND CO Ltd	Thailand	100	FC
TH-THE GUARDS	Thailand	100	FC
TH-PS GUARDS HOLDING SECURITY GUARD Co Ltd	Thailand	100	FC
TH-PSS CLEANING AND SERVICE	Thailand	100	FC
TH-SECURITY GUARD ARM PROTECTION Co. Ltd	Thailand	100	FC
ID-PT ATALIAN INDONESIA	Indonesia	100	FC
ID-AGS INDONESIA	Indonesia	100	FC
ID-ATALIAN FACILITY SERVICES	Indonesia	100	FC
ID-RAFINDO ANUGRAH SUKSES	Indonesia	100	FC
ID-AGS CENTRAL JAVA	Indonesia	100	FC
ID-ATALIAN PEST MANAGEMENT	Indonesia	100	FC
MY-ATALIAN MALAYSIA	Malaysia	100	FC
MY-ATALIAN MANAGEMENT SERVICES ASIA Sdn Bhd	Malaysia	100	FC
MY-ATALIAN GLOBAL SERVICES Sdn Bhd	Malaysia	100	FC
PH-ATALIAN PHILIPPINES HOLDING Ltd	Philippines	100	FC
PH-AGS PHILIPPINES	Philippines	67	FC
PH-ABLE	Philippines	60	FC
KH-AGS CAMBODIA	Cambodia	71	FC
KH - AFM CAMBODIA	Cambodia	85.5	FC

Companies	Country	"% INTEREST Dec-22"	Method of consolidation
IN - AGS FACILITIES PRIVATE LTD	India	100	FC
AKTRION			
GB - AKTRION HOLDINGS ltd	United Kingdom	100	FC
GB - AKTRION GROUP Ltd	United Kingdom	100	FC
GB - AKTRION MANUFACTURING SUPPORT SERVICES Ltd	United Kingdom	100	FC
GB - AKTRION GASSER UK Ltd	United Kingdom	100	FC
FR - AKTRION FRANCE SAS	France	100	FC
BE - AKTRION BELGIUM	Belgium	100	FC
CZ - AKTRION Z.s.r.o	Czech Republic	100	FC
ES - AKTRION IBERIA SRL	Spain	100	FC
HU - AKTRION HUNGARY Kft	Hungary	100	FC
RO - AKTRION ROMANIA SRL	Romania	100	FC
SK - AKTRION SLOVAKIA s.r.o.	Slovakia	99	FC
PL - AKTRION POLAND Sp Z.o.o.	Poland	100	FC
PT - AKTRION PORTUGAL	Portugal	100	FC
DE - AKTRION GmbH	Germany	100	FC
COMPANIES ACCOUNTED BY EQUITY METHOD			
LU - BOTEGA INVESTCO SARL (GETRONICS)	Luxembourg	27.18	EA

Headquarters

56 rue Ampère - 75017 Paris - France

Tel. +33 (0)1 55 53 03 00

atalian.com