LA FINANCIÈRE ATALIAN

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH, 31 2023

ATALIAN
GLOBAL SERVICES

LA FINANCIÈRE ATALIAN

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT

in millions of euros	Period ended March 31, 2023	Period ended March 31, 2022 - IFRS5
NET SALES	528.9	505.5
Raw materials & consumables used	(107.2)	(98.6)
External expenses	(21.5)	(19.2)
Staff costs	(373.3)	(349.5)
Taxes (other than on income)	(12.1)	(8.1)
Other operating income and expenses	1.3	2.7
OPERATING INCOME BEFORE DEPRECIATION, AMORTISATION, PROVISION AND IMPAIRMENT LOSS	16.1	32.8
Depreciation and amortisation, net	(15.2)	(15.6)
Provision and impairment loss, net	(0.0)	(0.3)
Other income and expenses	163.2	(3.8)
OPERATING PROFIT (LOSS)	164.1	13.1
Financial debt cost	(22.1)	(19.7)
Income from cash and cash equivalents	0.8	0.1
NET FINANCIAL DEBT COST	(21.4)	(19.6)
Other net financial income and expenses	7.6	(0.4)
NET FINANCIAL EXPENSES	(13.7)	(20.0)
Income tax expenses	(2.9)	(2.3)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	147.5	(9.3)
Net income (loss) from discontinued operations	7.7	2.9
NET INCOME FOR THE PERIOD	155.2	(6.4)
Attributable to owners of the company	155.0	(7.7)
Attributable to non-controlling interests	0.2	1.3

In compliance with IFRS 5, the income statement for the periods ended March 31, 2023 and March 31, 2022 have been restated to disclose the discontinued operations separately from the continuing operations (see Note 1).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS in millions of euros	Period ended March 31, 2023	Period ended December 31, 2022
Goodwill	522.5	523.2
Intangible assets	11.1	10.7
Property, plant and equipment	129.1	128.8
Other non-current financial assets	77.0	20.7
Investments in associates	-	-
Deferred tax assets	58.4	59.3
NON-CURRENT ASSETS	798.1	742.7
Inventories	4.7	4.2
Prepayment to suppliers	3.3	6.4
Trade receivables	226.5	218.3
Current tax assets	5.8	4.2
Other receivables	124.3	88.1
Cash and cash equivalents	680.2	91.1
CURRENT ASSETS	1,044.8	412.3
Assets held for sale and discontinued operations	0.0	821.7
TOTAL ASSETS	1,842.8	1,976.7

EQUITY AND LIABILITIES in millions of euros	Period ended March 31, 2023	Period ended December 31, 2022
Equity		
- Share capital	114.6	114.6
- Share capital premium	22.7	22.7
- Accumulated results	(547.8)	(372.2)
- Other comprehensive income	(21.2)	(9.8)
- Net income for the period	155.0	(172.1)
Equity attributable to owners of the company	**(276.7)**	**(416.8)**
Non-controlling interests	20.0	25.7
TOTAL EQUITY	(256.7)	(391.1)
Non current financial liabilities	1,272.9	1,282.0
Provisions for pensions	24.2	23.9
Provisions for other employee benefits	9.8	10.4
Deferred tax liabilities	5.6	5.6
NON-CURRENT LIABILITIES	1,312.5	1,321.9
Prepayments from customers	3.2	13.9
Trade payables	198.1	209.7
Other provisions	25.0	26.1
Other current liabilities	416.7	390.8
Liabilities related to payroll tax credit prefinancing	-	-
Current tax liabilities	7.9	5.7
Current portion of financial liabilities	132.6	141.4
Financial instruments	1.5	1.5
Shortterm bank loans and overdrafts	2.0	10.1
CURRENT LIABILITIES	787.0	799.2
Liabilities related to assets held for sale and discontinued operations	0.0	246.7
TOTAL EQUITY AND LIABILITIES	1,842.8	1,976.7

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros		Period ended March 31, 2023	Period ended March 31, 2022
A - NET CASH FROM OPERATING ACTIVITIES			
Net income (loss) from continuing activities		**147.5**	**(9.3)**
Net income (loss) from discontinued operation		**7.7**	**2.9**
Elim. Share of net income (loss) of equity-accounted companies		0.0	0.0
Elim. Operating depreciations, Amortisation, provisions & impairment losses		14.0	23.3
Elim. Gains/ losses on disposal		(164.8)	(0.1)
Elim. Other non-cash items		(0.2)	(0.0)
Operating cash flow before changes in working capital		**4.2**	**16.8**
Elim. Net finance costs		21.4	20.4
Elim. Income tax expense		2.9	4.5
Elim. Net other financial expenses		(7.6)	0.7
Operating cash flow before changes in working capital, net financial debts and income tax expenses		**20.9**	**42.5**
Change in operating working capital (including change in deconsolidated Factoring)		**(18.0)**	**(17.4)**
Increase/Decrease in Factoring deposit		**(2.2)**	**(1.8)**
Income taxes paid		**(1.9)**	**(2.5)**
NET CASH FROM OPERATING ACTIVITIES	A	1.1	20.7
B - NET CASH USED IN INVESTING ACTIVITIES			
Purchases of intangible assets, property, plant & equipment		(6.2)	(9.8)
Proceeds on disposal of intangible assets, property, plant & equipment		0.2	0.8
Purchases of consolidated companies (net of cash acquired)		0.0	(1.3)
Sales of consolidated companies (net of cash sold)		662.9	-
Other cash flows from investing activities		(1.5)	0.5
NET CASH USED IN INVESTING ACTIVITIES	B	655.5	(9.9)
C - NET CASH USED IN FINANCING ACTIVITIES			
Change in capital		-	-
Dividends paid during the year		-	-
Increase in borrowings		0.6	0.0
Decrease in borrowings		(54.1)	(23.8)
Net financial interest paid		(5.1)	(4.6)
Foreign exchange (losses)/gains on financing activities		7.6	(0.7)
Other cash flows from financing activities		(0.7)	(2.7)
NET CASH USED IN FINANCING ACTIVITIES	C	(51.9)	(31.7)
IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS	D	(5.4)	(0.5)
CHANGES IN NET CASH AND CASH EQUIVALENTS	(A+B+C+D)	597.0	(21.4)
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		80.8	153.2
Net cash flows for the period		597.0	(21.4)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		677.8	131.8

APPENDICES TO
THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1
GENERAL INFORMATION AND SIGNIFICANT EVENTS

The terms "the Atalian Group", "Atalian" and "the Group" refer to the parent company, La Financière Atalian, and its consolidated subsidiaries. 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 in 20 countries.

The condensed interim consolidated financial statements are unaudited.

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

1.1. SIGNIFICANT EVENTS OF THE FIRST THREE MONTHS OF 2023

1.1.1 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. 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. The disposal resulted in a provisional gain of €164.8 million (subject to completion accounts procedure) accounted for on the line "Other income and expenses" of the Consolidated income statement.

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.

1.1.2 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 €21.5 million is restricted as of March 31, 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.

1.1.3 Performance plan

Following the sale of its operations in the UK, Ireland and Asia, including Aktrion, the management focuses its development efforts on becoming a market leader in the field of facility management. Considering the inflationary environment, Group management implemented a performance plan focused on passing on the impact of inflation to its customers and aligning its structure to restore the historic profitability of its French operations.

Per March 31, 2023 all measures announced at Q4 2022 have been implemented leading to a significant increase in net sales.

1.2. SIGNIFICANT EVENTS AFTER MARCH 31, 2023

1.2.1 Nomination of Maximilien Pellegrini as CEO

ATALIAN Group has decided to transform its governance by appointing Maximilien Pellegrini, CEO of the Group as of May 2, 2023.

As such, Maximilien Pellegrini's mission is to continue the Group's development particularly in the Facility Management business, with the implementation of a global refinancing strategy.

1.2.2 Reimbursement of the revolving credit facility

In the framework of its deleveraging and refinancing strategy, the Group has reimbursed its revolving credit facility according to its maturity on April 22, 2023.

NOTE 2
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Group's consolidated financial statements for the first three months of the year 2023 are set out below. These policies have been consistently applied to all the financial periods presented, unless otherwise stated. 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.

2.1. FINANCIAL CLOSURE

The Group's companies have been consolidated based on their financial statements as of March, 31 2023 for a period of 3 months.

2.2. CHANGES IN ACCOUNTING METHODS

Effective starting January 1, 2023, 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. In 2023 the cost of uniforms is expensed as incurred in the line "Raw materials and consumables used" of the Consolidated income statement.

Except for this specific accounting matter, the Company's accounting policies and methods are unchanged compared to December 31, 2022.

2.3. DISCONTINUED OPERATIONS

As indicated in Note 1.1.1, 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.

The operations sold represent geographical areas of operations and were disposed through a joint share disposal agreement, consequently, they fall 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 March 31, 2023:

- The non-current assets of the disposed operations are classified as held for sale on a separate line of the Consolidated statement of financial positions and measured at the lower of the carrying amount and fair value less costs to sell as at December 31, 2022 (comparative period for Consolidated statement of financial positions),
- 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 has been restated to disclose the discontinued operations separately from continuing operations. The comparative period for the three months of 2022 ending as of March 31, 2022 does consider the depreciation impact of the assets held for sale as their depreciation ceased as of December 16, 2022.

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.

2.4. CONSOLIDATION METHODS

2.4.1 Consolidation methods

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 2.3 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 10.

Associates

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

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

The Group's share of the profit or loss of associates is recognised in the consolidated income statement, and its share of movements in other comprehensive income is recognised in other comprehensive income. Unrealised gains on transactions between the Group and its associates are eliminated pro rata to the Group's interest in the associates concerned. A list of the Group's associates is provided in Note 10.

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

Other investments

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

2.4.2 Numbers of entities and changes in the scope of consolidation

The change in the scope of consolidation is driven by the sale to CD&R of 79 entities and the internal merger of Group entities in France.

in millions of euros	At 31/03/23	At 31/12/22
Fully consolidated companies	99	178
Companies accounted for by the equity method	0	1
	99	179

2.5. TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN SUBSIDIARIES

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

In 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 to Turkey's financial statements as at March 31, 2023, the impact being not material (IAS 29 was applied to Turkey's financial statements for the first time as at December 31, 2022).

2.6. TRANSLATION OF FOREIGN-CURRENCY TRANSACTION

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 until February 28, 2023.

2.7. FINANCIAL RISKS

For a description of financial risks please refer to the Group's 2022 Annual Report.

2.8. STATEMENT OF CASH FLOWS

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

Net cash and cash equivalents – whose movements are analysed in the statement of cash flows – are defined as cash and cash equivalents less short-term bank loans and overdrafts in accordance with IAS 7.8.

As explained in Note 2.3 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.

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 (i.e. mainly CEE, Benelux, the USA), which definition changed 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, provision and impairment loss.

The accounting methods applied for each operating segment are those used for preparing the consolidated financial statements.

The information presented for each operating segment corresponds to "contributive data", i.e. after eliminating inter-segment transactions.

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

	By operating segment			
in millions of euros	France	International	Others (incl. Corp Holding)*	TOTAL GROUP
PERIOD ENDED 31 MARCH 2023				
Revenue	358.9	169.8 **	0.1	528.9
Operating profit before depreciation, amortisation, provisions and impairment losses	21.2	5.6	(10.7)	16.1
** include inter-segment revenue*				
*** of which countries contributing to turnover > 10%*				
United States		*30.1*		
Belgium		*33.9*		
Czech Republic		*17.6*		
PERIOD ENDED 31 MARCH 2022				
Revenue	341.1	164.9 **	(0.5)	505.5
Operating profit before depreciation, amortisation, provisions and impairment losses	37.0	7.4	(11.6)	32.8
** include inter-segment revenue*				
*** of which countries contributing to turnover > 10%*				
United States		*38.4*		
Belgium		*30.1*		
Czech Republic		*16.8*		

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

Margin at completion is estimated based on periodically revised cost and revenue analysed over the term of the contracts (the impact of changes in estimate is recorded in the period in which they are incurred):

- if the invoiced amount is greater than the recognised Net Sales, a contract liability is recognised,
- if the revenue is lower than the recognised Net Sales 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 are 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.

Transactions between continuing and discontinued operations

As explained in the Note 2.3 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 until February 28, 2023. This amount is accounted for on the line “Other operating income and expenses”.

Staff costs

in millions of euros	31/03/2023	31/03/2022
Wages and other employment- related expense - I	(371.7)	(348.2)
of which wages and salaries	*(297.2)*	*(280.8)*
of which employer social contributions	*(66.8)*	*(62.5)*
of which contributions to defined contribution plans	*(1.5)*	*(1.2)*
of which other employment related expenses	*(6.2)*	*(3.7)*
Profit-sharing and incentive plans - II	(1.5)	(1.3)
TOTAL	(373.3)	(349.5)

Depreciation and amortisation

in millions of euros	31/03/2023	31/03/2022
Intangible assets	(0.9)	(1.1)
Property, plant and equipment	(14.1)	(14.4)
of which D&A own property PP&E	*(3.0)*	*(4.5)*
of which D&A non operating	*(0.2)*	*(0.1)*
of which amortisation of rights of use	*(10.0)*	*(9.8)*
D&A Acquired through business combination	(0.2)	(0.2)
TOTAL	(15.2)	(15.6)

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

in millions of euros	TOTAL GROUP	France	International	HOLD CORP
Profit/Loss on disposal of subsidiaries	164.8	-	-	164.8
Other income and expenses	(1.6)	(0.3)	(0.2)	(1.1)
TOTAL	163.2	(0.3)	(0.2)	163.7

The gain related to the disposal of the operations in the UK, Ireland, Asian including Aktrion is presented on the line “Profit/loss on disposal of subsidiaries” for €164.8 million in holding corporate.

Other Income and Expenses are mainly related to the reorganization of the Group.

NOTE 5

FINANCE COSTS, NET & OTHER NET FINANCIAL INCOME AND EXPENSES

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

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

5.1. BREAKDOWN OF NET FINANCE DEBT COST

in millions of euros	31/03/2023	31/03/2022
Financial expenses	(22.2)	(19.7)
Financial income	0.8	0.1
NET FINANCIAL DEBT COST	(21.4)	(19.6)
Analysis:		
– Net interest on borrowings	(20.5)	(18.1)
– Income from cash and cash equivalents	0.8	0.1
– Interest on leases	(1.6)	(1.6)
TOTAL	(21.4)	(19.6)

5.2. BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros	31/03/2023	31/03/2022
Net (additions to)/reversals of provisions for financial items	0.0	0.0
Foreign exchange gains and losses	7.7	(0.5)
Other	(0.1)	0.1
OTHER FINANCIAL INCOME AND EXPENSES	7.6	(0.4)

NOTE 6
LEASES

The Group has chosen to apply these two capitalization exemptions proposed by the standard:

- contracts with a lease term of less than 12 months,
- contracts with value of underlying assets of less than €5,000.

The lessee is required to record:

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

Duration of assets assumptions:

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

Discount rate assumptions:

A unique discount rate is determined for each portfolio of homogeneous contracts. Discount rates are based on the marginal borrowing rate (or implicit rate of contracts where available) by currency.

6.1. FIXED ASSETS

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

in millions of euros	31/03/2023
Tangible assets excluding Right-of-use	34.8
Right-of-use	94.3
TOTAL	**129.1**
Intangible assets	11.1
TOTAL	**11.1**

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

6.2. BREAKDOWNS OF RIGHT-OF-USE

GROSS in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2022	72.2	57.4	57.3	1.5	188.4
Currency Translation differences	(0.2)	(0.1)	(0.1)	(0.0)	(0.4)
Amendments, terminations & transfers	0.3	1.3	0.4	0.7	2.7
Changes in Group structure	(0.3)	(1.4)	(0.4)	(0.7)	(2.7)
Acquisitions	4.0	(4.4)	6.3	0.0	14.7
Disposals, reductions and others	(2.0)	(2.1)	(0.9)	(0.1)	(5.1)
31 MARCH 2023	74.0	59.6	62.6	1.4	197.7

AMORTISATION AND LOSS OF VALUE in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2022	(29.0)	(32.7)	(33.8)	(0.2)	(95.6)
Currency Translation differences	(0.0)	0.1	-	-	0.1
Amendments, terminations & transfers	(0.1)	(0.6)	(0.2)	(0.1)	(1.0)
Changes in Group structure	0.1	0.6	0.1	0.1	0.9
Depreciation expense	(2.8)	(4.3)	(3.7)	(0.1)	(10.8)
Disposals, reductions and others	1.0	1.7	0.3	0.1	3.1
31 MARCH 2023	(30.7)	(35.2)	(37.2)	(0.2)	103.4

NET in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
31 DECEMBER 2022	43.3	24.7	23.5	1.3	92.8
31 MARCH 2023	43.3	24.4	25.4	1.2	94.3

NOTE 7

LONG- AND SHORT-TERM FINANCIAL LIABILITIES

7.1. 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	31/03/2023
– Bonds*	19.5	1,221.5	-	1,241.0
– RCF	63.0	-	-	63.0
– Finance lease liabilities	49.6	38.2	10.5	98.3
– Other borrowings and financial liabilities	0.5	2.6	-	3.2
TOTAL INTEREST-BEARING BORROWINGS AT 31/03/2023	132.7	1,262.3	10.5	1,405.5
TOTAL INTEREST-BEARING BORROWINGS AT 31/12/2022	141.4	1,267.4	14.6	1,423.4

** bonds net of issuance costs of €(9.4) million. Issuance costs expensed in 2022 amounted to €(1.3) million.*

The Group has a revolving credit facility of €103.0 million, of which €63 million was used per March 31, 2023, maturing at April 22, 2023 (reimbursed as at its maturity date, see Note 1.2.2)

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

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

These financings are subject to limited financial covenants based on the Group's consolidated accounts.

At march 31, 2023 all these financial covenants were respected.

7.2. CONFIRMED CREDIT LINES

in millions of euros	Confirmed lines	Utilised lines
Bonds*	1,230.9	1,230.9
Bank borrowings**	103.6	63.6
Factoring loans***	250.0	196.4
TOTAL	1,584.5	1,490.8

** Principal, excluding issuance costs. Based on an average market value as of 31 March 2023, the fair value would amount to €873.0 million. Accrued coupon (€19.6 million) must also be taken into account if one wants to compare fair market value with accounting value.*

*** of which the RCF, €63 million used out of €103 million*

**** All immediate financing from derecognised factoring contracts*

7.3. FACTORING

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

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 March 31, 2023, 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.

As at March 31, 2023, the amount of the derecognised receivables totalled €250.0 million, providing the Group with €196.4 million of immediate financing with the difference corresponding to €18.0 million security deposit and €28.6 million to factor current account and client payments not yet deducted.

As at December 31, 2022, the amount of immediate financing provided by deconsolidated receivables was €213.8 million.

7.4. VARIATION OF CURRENT AND NON-CURRENT FINANCIAL DEBT

in millions of euros	31/12/2022	Cash impact		Non-cash impact & Others	31/03/2023
		Increase	Decrease		
NON-CURRENT FINANCIAL DEBT	1,282.0	-	2.6	(11.9)	1,272.9
of which debts from bonds	*1,217.9*	-	-	*3.5*	*1,221.5*
of which debts from RCF	-	-	-	-	-
of which debts from leasing	*64.1*	-	-	*(15.4)*	*48.7*
of which debts from factoring	-	-	-	,	-
of which debts from others	-	-	*2.6*	-	*2.6*
CURRENT FINANCIAL DEBT	141.4	0.6	(56.7)	47.3	132.6
of which debts from bonds	*4.6*	-	-	*14.9*	*19.6*
of which debts from RCF	*103.0*	-	*(40.0)*	-	*63.0*
of which debts bank borrowing and others	*1.0*	*0.6*	*(3.7)*	*2.6*	*0.5*
*of which debts from leasing **	*32.8*	-	*(13.0)*	*29.9*	*49.6*
of which debts from factoring	-	-	-	-	-
Gross debt	1,423.4	0.6	(54.1)	35.5	1,405.5
Financial instrument	1.5	-	-	(0.0)	1.5
GROSS DEBT INCL. FINANCIAL INSTRUMENT	1,424.9	0.6	(54.1)	35.5	1,407.0

** The non cash impact on debt from leasing is related to the new IFRS16 lease contracts during the 3 months period of 2023.*

NOTE 8
CHANGES IN NET DEBT

in millions of euros	31/03/2023	31/12/2022
Cash and cash equivalents	53.2	91.1
Investment securities - Cash equivalents	628.3	-
Short-term bank loans and overdrafts*	(2.0)	(10.1)
NET CASH AND CASH EQUIVALENTS**	**679.5**	**81.0**
Non-current financial liabilities	(1,272.9)	(1,282.0)
of which debts from leasing	*(48.7)*	*(64.1)*
Current financial liabilities	(132.6)	(141.4)
of which debts from leasing	*(49.6)*	*(32.8)*
GROSS DEBT	**(1,405.5)**	**(1,423.4)**
Financial instrument (liability)	(1.5)	(1.5)
DEBT	**(1,407.0)**	**(1,424.9)**
NET DEBT	**(727.5)**	**(1,343.9)**

** Only overdraft as at March 31, 2023 in accordance with IAS7.8*
*** Net cash and cash equivalents as analysed in the statement of cash flows.*

As explained in the Note 1.1.1 the amount paid by CD&R includes a payment in form of a Vendor Loan of €55 million, bearing interest at an annual rate of 7% (capitalized annually) and for a period of 2-years.
This loan is accounted for as Other non-current financial asset along with the accrued interests recognized over the period for a total amount of €55.3 million.
Considering this position Net Debt amounts to €672.2 million as at March 31, 2023.

NOTE 9
WORKING CAPITAL

9.1. BREAKDOWN OF WORKING CAPITAL

in millions of euros	31/12/2022	Cash in / Cash out	Forex	Other (incl. Scope change)	31/03/2023
NET STRICT WC ASSETS	203.0	17.0	(0.0)	1.5	221.5
Inventories	**4.5**	**(3.1)**	**0.3**	**3.8**	**5.5**
Inventory: raw mat. and other consumables	*2.1*	*0.1*	*-*	*(0.5)*	*1.6*
Inventory: work-in-progress	*0.7*	*(3.8)*	*0.3*	*2.9*	*0.0*
Inventory: finished/semi-finished goods	*-*	*-*	*-*	*-*	*-*
Inventory: goods for resale	*1.8*	*0.6*	*(0.0)*	*1.4*	*3.8*
Net customers receivables	**198.4**	**20.1**	**(0.3)**	**(2.2)**	**216.0**
Accounts receivable	*361.4*	*33.8*	*0.1*	*(14.9)*	*380.3*
Doubtful receivables	*9.8*	*0.3*	*-*	*-*	*10.1*
Accrued receivables	*46.2*	*22.4*	*0.3*	*(3.1)*	*65.8*
Accounts receivable - Factor	*(183.9)*	*(45.5)*	*(0.7)*	*15.7*	*(214.4)*
Advanced payments from customers	*(13.8)*	*10.6*	*(0.0)*	*0.0*	*(3.2)*
Customers - Accrued Discounts and credit notes	*(21.2)*	*(1.5)*	*-*	*0.1*	*(22.7)*
NET STRICT WC LIABILITIES	192.4	1.7	0.6	(13.3)	181.4
Net Suppliers payables	**192.4**	**1.7**	**0.6**	**(13.3)**	**181.4**
Accounts payable	*76.8*	*5.3*	*0.2*	*(12.2)*	*70.1*
Accrued payables	*129.9*	*(3.6)*	*0.4*	*(1.9)*	*124.8*
Advanced payments to suppliers	*(6.4)*	*3.3*	*(0.0)*	*(0.3)*	*(3.3)*
Suppliers - Rebates / Discounts to be received	*(7.9)*	*(3.3)*	*(0.0)*	*1.1*	*(10.1)*
STRICT WORKING CAPITAL	(10.6)	(15.3)	0.6	(14.9)	(40.1)
NET NON STRICT WC ASSETS	77.2	18.6	0.1	(10.3)	85.6
NET NON STRICT WC LIABILITIES	369.1	15.9	0.4	8.5	393.9
NON STRICT WORKING CAPITAL	291.9	(2.7)	0.4	18.7	308.3
WORKING CAPITAL TOTAL	281.3	(18.0)	1.0	3.9	268.2

NOTE 10
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. Positive goodwill is recognised in the balance sheet, 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.

For the purpose of impairment testing, Goodwill is allocated to each Cash-Generating Unit (CGU) or group of CGUs that is expected to benefit from the synergies of the business combination, depending on the level at which the return on investments is monitored.

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

In 2022 Goodwill was tested at the level of groups of CGUs as below:

- France CGU, comprising all of the companies located in France,
- An International group of CGUs, comprising all the entities not located in France (mainly the USA, CEE and Benelux).

Following both the disposal of its activities in the UK, Ireland, Asia and Aktrion and the adaptation of its structure as part of its transformation plan, the Group is currently assessing the allocation of its Goodwill to new CGU's (or group of CGU's).

10.1. MOVEMENTS

in millions of euros	Gross	Impairment	Net
31 DECEMBER 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)
31 DECEMBER 2022	597.5	(74.3)	523.2
Impact of exchange rates	(1.9)	1.2	(0.7)
31 MARCH 2022	595.5	(73.0)	522.5

10.2. BREAKDOWN OF GOODWILL BY GROUP OF CGU'S

in millions of euros	31/03/2023	31/12/2022
France	443.6	443.6
International	78.9	79.6
TOTAL	522.5	523.2

10.3. CGU IMPAIRMENT TESTING

As per management assessment, the estimates and assumptions used to perform the impairment tests at the end of 2022 have not materially changed until the closing of the financial statements as at March31, 2023. The financial results of the Group CGUs in the first three months of 2023 have been in line with the expectations and the underlying assumptions (see note 1.1.3).

NOTE 11

LIST OF CONSOLIDATED ENTITIES

Companies	Country	INTEREST Mar-23	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 PROPRETÉ	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
FINANCIÈRE DES SERVICES	France	90.5	FC
LIMPA	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
LETUVE	France	100	FC
GERMOT	France	100	FC

Companies	Country	INTEREST Mar-23	Method of consolidation
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 - 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
RU - CLEANING PROFI	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

Companies	Country	INTEREST Mar-23	Method of consolidation
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			
MM - AGS	Myanmar	70	FC
MM - MYANMAR ASSURANCE Co Ltd	Myanmar	100	FC
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

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