ANNUAL REPORT
2023

ATALIAN
GLOBAL SERVICES

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MESSAGE FROM THE GROUP CEO

Frédéric BAVEREZ
Group CEO

"Our ambition: to become the preferred partner of European customers in the implementation of specific or global facility management services."

2023 was a year of far-reaching changes for the Atalian Group, designed to enable it to embark on a new phase of its development with confidence.

The most structuring change was the refocusing on continental Europe, in order to have a strong commercial position in each of the countries in which we operate and to be able to guarantee our customers the same level of service quality everywhere. This refocusing is now almost complete, with the sale of our activities in the UK, Ireland and Asia to CD&R in February, and the sale of our assets in the USA to the GDI group in October. These two operations were accompanied by partnership agreements to meet any multi-country requirements of certain industrial customers. With a presence today in 19 countries, Atalian remains a highly international group with a service offering tailored to each of these countries.

In line with this geographic refocusing, in 2023 the Group adopted a new strategic plan for the period 2024-2026. Several dozen employees were involved in drawing up this strategic plan, which was based on a review of the different segments of the facilities management market in the countries where we operate, a detailed understanding of customer expectations and an analysis of our differentiation and value creation factors. Determining this roadmap, which is centred on customer satisfaction and profitability growth, was essential if we were to approach the discussions on refinancing the Group with good visibility.

At the same time, 2023 saw major changes in the Group's management team, with the appointment of a new Chief Executive Officer and a new Chief Financial Officer, both of whom were fully involved in validating the 2024-2026 strategic plan.

At the end of 2023, Atalian embarked on the major project of refinancing its bond debt, which was due to mature in May 2024 and May 2025. Following negotiations with an *ad hoc* group of bondholders, this project was successfully completed and finalised in early 2024 with the launch of a public exchange offer, more than 98% of which was subscribed to by the bondholders. By obtaining a rescheduling of its bond debt, whose main maturity date is now the end of June 2028, and by limiting the cash payment of interest, Atalian now has a healthier financial horizon, enabling it to implement its strategic plan with determination but also with serenity.

In parallel with these transformations, Atalian has of course continued to serve its customers and to respond to numerous invitations to tender. In a highly competitive European facilities management market that has been severely destabilised by the return of inflation since the outbreak of war in Ukraine at the beginning of 2022, Atalian has demonstrated its resilience, preserving its commercial positions and containing the erosion of its margins.

Ultimately, 2023 will have considerably strengthened the Group's agility and put it in a better position to seize the many opportunities offered by the various Facility Management businesses in Europe, which remains a market that is growing faster than GDP in the countries where we operate. As a result, Atalian can look forward with confidence to turning its ambition into a reality: to become the preferred partner of European customers in the implementation of specific or global Facility Management services.

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atalian@pullman-bercy-fr

399 rooms, 15 meeting rooms,
5 restaurant areas
82 dedicated Atalian employees

A MAJOR PLAYER IN FACILITY MANAGEMENT

Founded in 1944, Atalian is now one of the major players in Facility Management (FM) in continental Europe. An independent company with a strong local presence, Atalian supports companies and organisations in the management of building and occupant services, providing customised solutions that create value. Atalian operates in a wide range of sectors and environments, offering a global and integrated range of services that meet the highest requirements.

KEY FIGURES

2,003 million euros of turnover

4.8% EBITDA margin

+4.1% growth compared to 2022

> 20,000 customers

19 countries of location

> 65,600 employees

88% customer loyalty

85% of services delivered itself

A WIDE AND INTEGRATED RANGE OF SERVICES

- Facility Management
- Cleaning & associated services
- Mobility areas
- Supply Chain handling
- Maintenance
- Energy Management
- Safety, surveillance & security
- Space management
- Hospitality & related services

OPERATING ENVIRONMENTS AND SECTORS

- Industries
- Offices
- Mass retail market
- Sales & service areas
- Public areas
- Transport and logistics
- Housing
- Healthcare establishments
- Hotel

A BROAD INTERNATIONAL FOOTPRINT

The Atalian Group has a broad international presence (19 countries) in markets offering very strong growth prospects and has strong commercial positions in continental Europe in each of the countries where it operates.

OUR LOCATIONS

- Belgium
- Belarus
- Bosnia and Herzegovina
- Bulgaria
- Croatia
- France
- Hungary
- Lebanon
- Luxembourg
- Mauritius
- Myanmar
- Netherlands
- Poland
- Czech Republic
- Romania
- Russia
- Serbia
- Slovakia
- Türkiye

Atalian geographic footprint at 31/12/2023

OUR MISSION

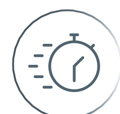
We operate in tens of thousands of **work, living and leisure spaces**. We maintain and secure them, we make them healthier, warmer and more functional so as to provide a unique experience for their occupants and users, while ensuring their value as an asset.

Enabling organisations to focus on their core business and improve their performance by taking care of people and their environment is **our raison d'être**.

OUR VALUES

Atalian forged its identity and built its development on the basis of enduring values, shared by the management and employees alike. These values inspire and guide the decisions and action of the Group in every matter: economic, financial, social, employment and environmental.

INITIATIVE & RESPONSIBILITY


AMBITION & AGILITY

OPENNESS & DIVERSITY

ETHICS & REQUIREMENTS

OUR COMMITMENTS

We look after people and their environment so that organisations and society can function better. Our strategies and actions are based on 4 key commitments.

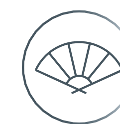
1. **Optimising the operation of buildings and equipment**
   Safety and security, technical and energy performance, environmental impact, budget savings.

2. **Improving the well-being of occupants and users**
   Hospitality, cleaning, health & safety, comfort and quality of life at work, user experience.

3. **Imagining responsible services**
   Reduction of GHG emissions as well as water & energy consumption, waste reduction and management (treatment, recycling, reclamation...).

4. **Improving the quality of life of our employees**
   Sustainable employment, professional equality, health and safety, professional development, quality of life at work.

STRENGTHS OF THE ATALIAN GROUP



A VALUE-CREATING OFFER OF SERVICES

An offer covering the entire FM spectrum, as well as customized solutions that generate economic, social and environmental performance.

TREMENDOUS HUMAN CAPITAL

More than 65,600 employees.
Great cultural and social diversity.
Talent. Contractors.
Varied and complementary expertise.

A DYNAMIC ECOSYSTEM OF PARTNERS

A culture of partnership with the Group's customers and suppliers to co-design and deploy innovative and high-performance solutions.

A VAST AND DENSE NETWORK OF LOCATIONS

A presence in 19 countries.
The ability to serve international customers by being always close to their sites.

AN ORGANISATION BUILT FOR PERFORMANCE

Guidelines for the group's trades.
Certified management systems. Integrated information, management and reporting tools.

A DIVERSIFIED CUSTOMER PORTFOLIO

More than 20,000 customers, including many key accounts, in all business sectors, offering development opportunities.

OUR MODEL FOR THE CREATION AND SHARING OF VALUE

Atalian intends to generate sustainable growth to benefit all of its stakeholders. Our organisation and strategy are designed to create and share value with our customers, employees, partners and the communities with which we interact.

MOBILISING OUR RESOURCES

HUMAN

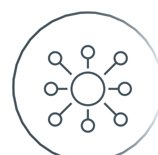
- More than 65,600 employees at the heart of our business
- Experienced entrepreneurs enabling the Group to be agile
- Very diverse and very complementary talents
- Great cultural diversity

BUSINESS

- A very wide range of business know-how and sectoral expertise
- The ability to perform on its own 85% of the delivered services
- A reference brand in the Facility Management world
- Innovations stemming from partnerships with customers and suppliers

ECONOMIC

- A vast and dense network of sites covering 19 countries
- An ecosystem of innovative partners
- Suppliers and subcontractors meeting the highest performance standards



ORGANISATIONAL

- Group guidelines (processes, procedures, codes, policies, etc.) deployed in all of our subsidiaries
- A global QHSE certification policy
- Management systems certified ISO 9001, ISO 14001, ISO 45001 and MASE or equivalent
- Integrated information, management and reporting tools

FINANCIAL

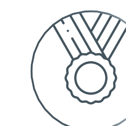
- A family shareholding as part of a long-term vision
- Investors and financial partners enabling the Group to implement its growth strategy

CREATING VALUE

TRENDS IMPACTING THE ATALIAN MODEL

- Population growth and urbanization
- Economic globalization
- Technological and digital revolution
- Climate change
- Growing importance of consumers
- Legal and regulatory obligations

SHARING THIS VALUE WITH OUR STAKEHOLDERS



IMPROVING CUSTOMER PERFORMANCE

- Improving quality of outsourced services and the well-being of occupants and users
- Saving energy in buildings
- Reducing our customers' environmental impacts
- Simplifying outsourcing thanks to an integrated FM offer
- Providing recognition (certifications, approvals, etc.)

IMPROVING THE QUALITY OF LIFE OF OUR EMPLOYEES

- Decent wages in all of the countries in which we are established
- Sustainable integration and personal development of our employees
- Improved health and quality of life at work

GENERATING POSITIVE IMPACTS FOR SOCIETY

- Social inclusion, diversity at work, fight against precariousness
- Development of responsible purchasing
- Reduction of our environmental impact
- Social and environmental actions for local communities
- Sponsoring education and health initiatives

BUILDING SUSTAINABLE RELATIONSHIPS WITH OUR PARTNERS

- Ethical behaviour with our partners (transparency, loyalty)
- Preventing corruption

2 GOVERNANCE

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atalian@air-france

9 sites (tertiary, airport, warehouses)
1,000,000 m² of buildings cleaned
>1,000 dedicated Atalian employees

MESSAGE FROM THE SECRETARY GENERAL

Driss AÏT YOUSSEF
Group General Secretary

"The year 2023 was marked by the implementation of an ambitious compliance plan and the streamlining of our legal structures."

2023 was a particularly dynamic year for the Atalian Group, as Frédéric Baverez, the Group's CEO, rightly points out.

First with the disposal of our activities in Asia and the UK to the investment fund CD&R in February, then our assets in the United States of America to the Canadian operator GDI in July. This refocusing strategy, which was sought by the reference shareholder, has led the Atalian Group to adapt its organisation to the new scope.

At the same time, the management team continued to implement an ambitious compliance plan to meet the legitimate requirements of the French Anti-Corruption Agency (AFA). In particular, this has resulted in the deployment of pragmatic training initiatives for staff, the dissemination of more ambitious internal policies, a Group-wide internal control system, an ethics committee and other tools designed to protect the Group from the risk of reoccurrence. We are deeply convinced that our efforts are appreciated by our stakeholders and that they even constitute a differentiating factor. In fact, this year, a rating agency noted our efforts in the area of internal control in an analysis bulletin.

In addition, 2023 was a year of streamlining our legal structures to make them clearer, more visible and more cost-effective. No fewer than 15 companies were merged or closed. This operation will also enable us to tighten up our controls within a more restricted perimeter. We have also optimised our local offices by grouping all our activities together in the same agency, again to improve fluidity and efficiency.

Turning to the outlook for 2024, the Atalian Group is committed to a level of vigilance at least comparable to that of 2023, with a further increase in the power of its internal audit, control and compliance departments. This will also involve streamlining our legal structures in Eastern Europe and disposing of our operations in Myanmar and Lebanon.

The aim of these initiatives is to make the business more secure, more agile and more profitable.

All in all, the Atalian Group is continuing to transform itself to improve its performance.

La Financière Atalian, the holding company at the head of the Atalian Group, is chaired by Frédéric Baverez as CEO. He is assisted in his duties by a Supervisory Board, whose members are appointed by the reference shareholder, itself majority-owned by Franck Julien.

THE SUPERVISORY BOARD

La Financière Atalian's Supervisory Board sees to the Group's effective governance and is the guarantor of the correct operation of the management bodies and of the Group's development in accordance with the principles of ethics and transparency.

The members of the Supervisory Board met 15 times during the year ended 31 December 2023. During this financial year, they approved:
- the closing of the quarterly and annual financial statements;
- the examination of the budget;
- the disposal of activities in the United Kingdom and Asia, including Aktrion;
- the acquisition by La Financière Atalian of the Atalian brands owned by Franck Julien;
- the disposal of activities in the United States;
- the legal simplification of the French companies;
- the refinancing.

COMPOSITION OF THE SUPERVISORY BOARD

Sophie PÉCRIAUX JULIEN
Chairman of the Supervisory Board

Sophie Pécriaux is the founder of the City One group, a key player in the hospitality and corporate services sector. She is also Honorary CEO of the SNPA (Syndicat National des Prestataires d'Accueil en Entreprise) and President of the Fonds de Dotation de la Communauté Aéroportuaire. Sophie Pécriaux is also Managing Director of City One Development and Managing Director of Novacity.

Halim FARAJALLAH
Member of the Supervisory Board

Halim Farajallah is Chairman of ASW Facility Management, and previously Chief Executive Officer of Atalian Africa and Middle East. He is also Chairman of the Medskills platform, a collaborative network of talent from the Mediterranean-African basin.

Jean-Christophe TORTORA
Member of the Supervisory Board

Jean-Christophe Tortora is Chief Executive Officer of Whynot Media, which includes La Tribune, La Provence, Corse Matin and stakes in M6 Groupe and Brut. Since 2012 he has been CEO of La Tribune.

Karine PELAMOURGUES
Member of the Supervisory Board

Karine Pelamourgues is the France and International Managing Director of the City One Group, having previously held the position of Operations Director. She joined City One in 1996.

Nicolas LIXI
Member of the Supervisory Board

Nicolas Lixi has been CEO for France of the City One Group since 2013. Previously Director of Operational Services at a Vinci Airport subsidiary, he joined the City One Group in 2005 as Managing Director. He has been CEO of the SNPA (Syndicat National des Prestataires d'Accueil en entreprise) since 2013. Nicolas Lixi has also been a director of URSSAF Ile-de-France since 2022.

Quentin VERCAUTEREN DRUBBEL
Member of the Supervisory Board

Quentin Vercauteren Drubbel, former Vice-Chairman of the Supervisory Board and Chairman of the Audit Committee of Synergie SE, joined Atalian in 2021 as Group Head of integration and has been a member of the Supervisory Board since 2023. He is also a Director of IKO Real Estate.

THE EXECUTIVE COMMITTEE

The Executive Committee ensures the general management of the Group. Reporting to the CEO, the Executive Committee helps to define the Group's strategy and plays a key role in coordination between the head office and its subsidiaries, as well as between the subsidiaries themselves. It steers the Group's activities, validates its main policies and sees to their implementation. It sets financial and operational targets, assesses performance and proposes any necessary organisational adjustments.

COMPOSITION OF THE EXECUTIVE COMMITTEE

Frédéric BAVEREZ
Group CEO

Frédéric Baverez joined Atalian as CEO in November 2023. A qualified mining engineer, Frédéric Baverez has more than 25 years' experience in labour-intensive services with the Suez, Engie and Keolis groups.

Driss AÏT-YOUSSEF
Group General Secretary

Driss Aït-Youssef has a doctorate in public law and is an expert in security issues. He headed the Institut Léonard de Vinci for more than 10 years. He joined the Atalian Group in June 2023 as Group General Secretary.

Laurent CAROZZI
Group CFO

Laurent Carozzi began his career in investment banking and capital markets. He was then CFO / CPO of international groups - Lagardère, Publicis, Technicolor - before joining La Financière Atalian as Group CFO in June 2023.

Norbert MOUSSART
CEO Central & Eastern Europe

Norbert Moussart has strong general management experience in the Facility Management sector, with solid achievements in mergers and acquisitions, sales, operational excellence, purchasing, turnaround and transformation. He joined Atalian in November 2017.

Marco FEIJEN
CEO Benelux

Marco Feijen started his career in consulting and then held various management positions at Imtech, before joining SPIE Netherlands as Director of the Building Systems Division. In 2017,he became Director of the Facilicom Solutions division before joining Atalianas CEO Benelux in 2022.

Laurent HERADY
Managing Director of the Cleaning and Maintenance & Energy divisions

Laurent Herady has solid experience of service businesses and a perfect understanding of the FM sector. He joined Atalian in 2017 as Deputy Managing Director of the Cleaning division, before taking over the management of the Group's two main business divisions: Cleaning and Maintenance & Energy.

Carol RAMBON
Group Human Resources Director

Carol Rambon began her career as HR Manager at Jean-Claude Decaux Services. She then joined the Atalian Group as Director of Human Resources for the Security, Surveillance & Safety division in November 2000. Since 2011, she has been Group Human Resources Director.

Bertrand LEPICIER
Director of the Atalian Facilities Division

Bertrand Lepicier, an engineer by training, has over 30 years' solid operational experience in industry and in the water and waste treatment sector. He joined Atalian in 2023 as Managing Director of Atalian Facilities, the Group's integrated Facility Management division.

ETHICS AND INTEGRITY

The fundamental values of ethics and integrity are firmly anchored in our day-to-day business relationships with our partners. They are the essence of our business practices within the Atalian Group. The Group has a robust compliance program that meets the requirements of the legislative and regulatory framework of the territories in which it operates.

The Group's international reach and leadership in the Facility Management market give us a strong responsibility towards our stakeholders. At Atalian, we believe that the first thing we owe to our stakeholders is a healthy business relationship, free of any contractual ambiguity.

This is why Atalian has placed ethics and compliance at the heart of its strategy and is pursuing its development with integrity and transparency.

In 2023, Atalian completely overhauled its compliance program in order to offer the Group and its partners a robust risk prevention and management strategy. This overhaul was carried out in accordance with the provisions of the Sapin II law and the recommendations made by the French Anti-Corruption Agency.

The Group began its work by mapping the risks of corruption and influence peddling within the Group, and then updated or created a set of procedures designed to strengthen control of the risks inherent in its business. In order to ensure an optimal system of prevention, detection and remediation, the Group has also extended its whistleblowing system to all its third parties to ensure that any anomaly is taken seriously and dealt with.

In addition, the Group is working with experts to train and raise awareness of these new policies among all its teams, so that they are able to identify risks and adopt the right reflexes.

As a result of this new management framework, the Group has opted for effective circularity in its compliance program once all the pillars identified by the Sapin II Act have been linked together.

The Group considers its compliance program to be a genuine competitive tool that it can offer its partners and reiterates in the strongest possible terms its commitment to the fight against corruption.

Lina FIKRI
Group Head of Compliance

> *Atalian has placed ethics and compliance at the heart of its strategy and is pursuing its development with integrity and transparency."*

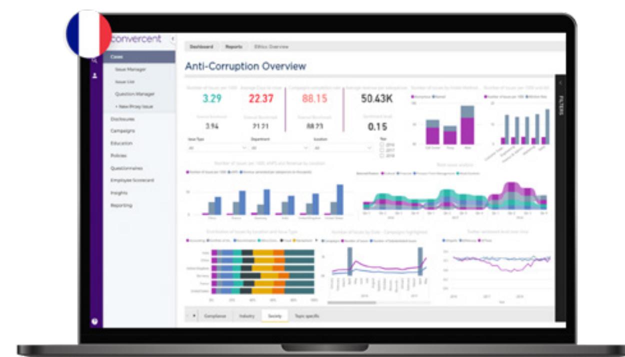
STRENGTHENING THE COMPLIANCE PROGRAM

The Atalian Group has taken significant steps to strengthen its compliance program, in line with the requirements of the Sapin II Act.

This strengthening has already resulted in early 2023 in the purchase of the One Trust solution, a platform dedicated to compliance, which now allows precise monitoring of the deployment and effectiveness of our program within the Group but also the opening of our alert line to our third parties.

Atalian also benefits from a global network of Compliance Officers who help to ensure a culture of transparency wherever it operates.

The Group has also strengthened its Compliance department and reviewed all its procedures and policies in this area. It now has a new anti-corruption Code of Conduct and new complementary procedures, all based on the results of the corruption risk mapping carried out in the summer of 2023.



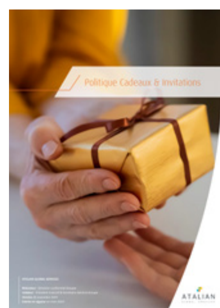
One Trust solution

NEW COMPLIANCE POLICIES AND PROCEDURES

Atalian has reviewed all its compliance policies and procedures. The Group now has a new Anti-Corruption Code of Conduct and new complementary policies and procedures: Business finder policy, Gifts & invitations policy, Conflict of interest prevention and declaration policy, Representation of interests policy, Procedure for collecting and processing alerts, Patronage & sponsorship procedure, etc.

Code of Conduct

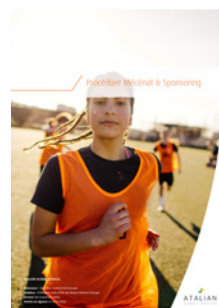
Business finder policy


Gifts & Representation of interests policy

Conflicts of interest prevention and management policy

Representation of interests policy

Procedure for collecting and processing alerts


Patronage & sponsorship procedure

AN ALERT LINE OPEN TO ALL OUR THIRD PARTIES

Using the One Trust solution, Atalian has opened up its platform for collecting ethical alerts, making it possible to report any breaches of the rules of conduct or applicable laws to all its stakeholders, both internal and external.

This initiative reflects the Group's commitment to maintaining the highest standards of ethics and compliance.

INTERNAL CONTROL

Atalian continues its commitment to strengthening internal control, the effectiveness of which is essential to ensure the achievement of operational objectives, the reliability of financial reporting, regulatory compliance and the protection of assets. In 2023, we continued our drive for continuous improvement by strengthening our internal control system and seeing to its application

MISSION AND ORGANISATION OF INTERNAL CONTROL

The Group Internal Control department, which will be set up in 2019, is responsible for rolling out our internal control framework in all the Group's countries.

To strengthen its governance, it now reports to the General Secretariat and has been organised into two main regional divisions, in order to take account of specific local features, while guaranteeing the overall consistency and effectiveness of the system. For each regional division, an Internal Control Manager has been appointed, responsible for overseeing the application of rules and procedures and monitoring action plans in the countries under his or her supervision, in close collaboration with local and regional management teams.

In addition, the introduction of the Workiva digital internal control platform has optimised the management of campaigns and the monitoring of actions to be taken.

Stéphane GUILLUY
Head of Internal Control

2023 ACTIONS & 2024 OUTLOOK

In 2023, we updated our guidelines to include accounting controls. These controls were identified on the basis of the mapping of corruption risks, in collaboration with the Finance and Compliance teams. The Internal Control team also carried out the corresponding level 2 controls.

We have also stepped up our support for countries by carrying out on-site visits to most of them, in order to train them in our standards, assess the effectiveness of local financial and operational processes, and support teams in implementing their action plans.

In 2024, our main objective is to contribute to improving the efficiency, performance and security of our processes, while continuing the ongoing assessment of our internal control system.

"Our main objective is to contribute to improving the efficiency, performance and security of our processes, while continuing the ongoing assessment of our internal control system."

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A DIVERSIFIED CUSTOMER PORTFOLIO 32

atalian@france-televisions-fr

130,000 m² managed
4,500 occupants
160 dedicated Atalian employees

With its extensive European footprint, comprehensive range of value-creating solutions and diversified customer portfolio, Atalian is entering a new phase in its development.

During the 2023 financial year, Atalian carried out far-reaching changes that have opened up a new phase in its development in a highly competitive Facility Management market that has been severely impacted by the return of inflation.

By refocusing its activities geographically on continental Europe, the Group now has a strong commercial position in each of the countries in which it operates and can guarantee its customers the highest level of service quality everywhere.

Its strategic plan, focused on customer satisfaction and profitability growth, builds on the Group's strengths: its geographical footprint, its ability to serve local, regional and international customers, its broad range of value-creating solutions, and its highly diversified customer portfolio.

A BROAD INTERNATIONAL FOOTPRINT

THE ABILITY TO SERVE LOCAL AND INTERNATIONAL CUSTOMERS

Atalian is now firmly established in 19 countries, with a service offering tailored to each country. This extensive presence enables Atalian to position itself in dynamic markets and to serve not only local or regional clients but also major international groups, offering them a perfect understanding of the specific features and challenges of each territory.

A CONSISTENT SERVICE OFFERING AND QUALITY WHEREVER THE GROUP OPERATES

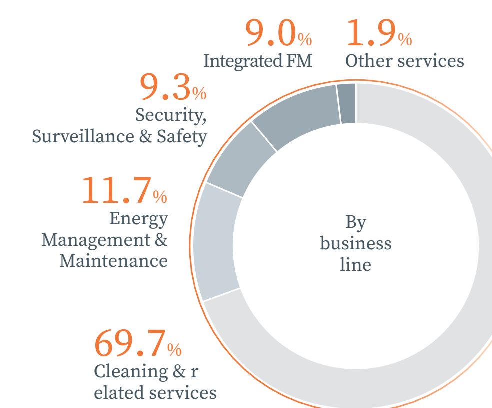
The Group's local subsidiaries have a very broad range of know-how and expertise, enabling them to offer tailor-made solutions and integrated offerings in all major business sectors (industry, services, healthcare, transport, etc.). Wherever they operate, the subsidiaries deliver premium services that comply with the Group's highly demanding standards and guarantee consistent quality standards. The Group's strategy is to strengthen its multi-services focus, particularly with key account customers, by developing cross-selling, increasing the proportion of technical services and introducing longer-term FM management contracts..

FRANCE

The Atalian Group generates 71.4% of its turnover in France and is one of the leaders in the Facility Management market. It offers a complete range of services and relies on a very dense network of locations. Atalian has a diversified customer portfolio and operates in all major business sectors.

- €1,429.4 M of turnover
- 71.4% of Atalian global turnover
- 44,663 employees
- More than 100 locations

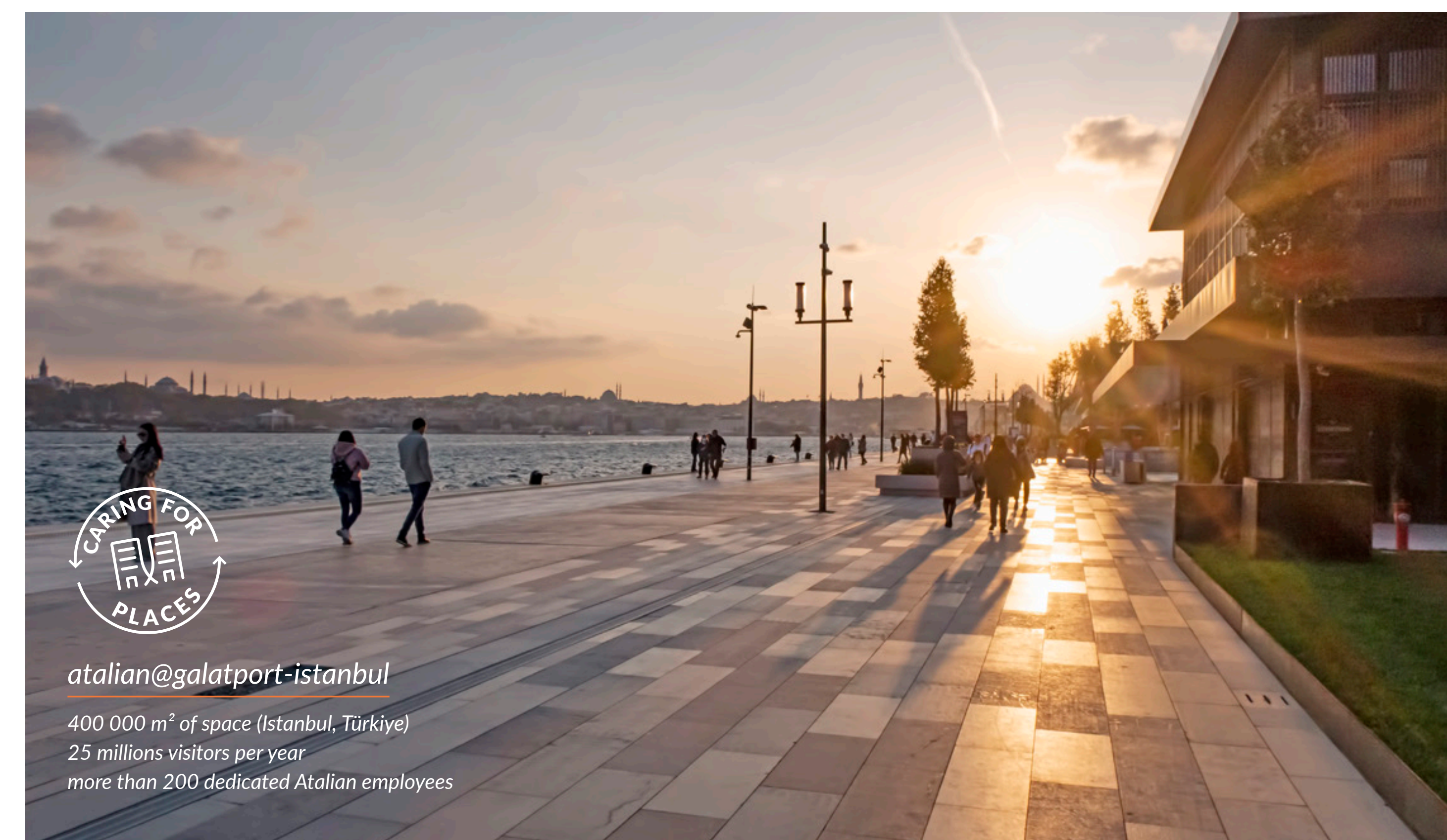
INTERNATIONAL TURNOVER BREAKDOWN



INTERNATIONAL

Atalian has a strong international presence, mainly in the Benelux countries and Central and Eastern Europe (Belarus, Bulgaria, Bosnia and Herzegovina, Croatia, the Czech Republic, Hungary, Poland, Romania, Russia, Serbia, Slovakia and Türkiye), as well as in Lebanon, Myanmar and Mauritius. In 2023, Atalian generated 28.6% of its turnover outside France.

- €580.1 M of turnover
- 28.6% of Atalian global turnover
- 20,953 employees
- 18 countries of location



atalian@galatport-istanbul

400 000 m² of space (Istanbul, Türkiye)
25 millions visitors per year
more than 200 dedicated Atalian employees

A LARGE & INTEGRATED RANGE OF SERVICES

The Atalian Group is one of the sector's few companies that, on its own, covers the entire Facility Management spectrum: cleaning and associated services, security, maintenance and energy, hospitality... Atalian performs more than 85% of the services entrusted to it and manages the other services by delegating their fulfilment to trusted partners selected for their irreproachable service quality.

CLEANING & RELATED SERVICES

Cleaning and hygiene of all types of buildings and surfaces, using all of the techniques and methods available on the market. The Group relies on specialized departments for highly specific sectors (industry, agrifood, ultra-cleaning, nuclear, mass distribution, health, hotels, transport, etc.).

MAINTENANCE & ENERGY

A range of complementary services and solutions to ensure the operation and maintenance of building technical installations as well as the monitoring and optimisation of the energy consumption of buildings.

SECURITY, SURVEILLANCE & SAFETY

A very broad range of services combining knowhow, technologies and digital systems to guarantee the integrity of persons and property in all types of environments.

HOSPITALITY & RELATED SERVICES

In exclusive partnership with City One Group. Hospitality in companies and public places – Event hosting.

Atalian enables its customers to focus on their core business and improve their performance.

FACILITY MANAGEMENT

Atalian can ensure the centralised management of all outsourced services (building services, occupant services) on behalf of its customers and carry them out itself or delegate them to trusted partners selected for their impeccable quality of service.

SPACE MANAGEMENT

Transformation of work environments, space planning, relocation management, management of the furniture stock, flex-office deployment, etc.

HOSPITALITY MANAGEMENT

Ongoing monitoring and tailor-made support, combining management of your employees' well-being with corporate concierge services.

PEST CONTROL

Action against all types of pests: rodents, cockroaches, fleas, bedbugs, wasps and hornets, birds.

INFRASTRUCTURE ELEMENTS

Floor coverings and parquet – Paintings and wall coverings – Fitting-out and conversion of premises: carpentry, masonry, partitions.

HIGH ADDED-VALUE SOLUTIONS FOCUSED ON CUSTOMER SATISFACTION

Atalian is a major player in FM, advancing its activities to better meet the needs and challenges of companies, enabling them to focus on their core business and improve their value chain.

RESPONSES TO COMPANIES' NEW CHALLENGES

Atalian has taken the measure of the upheavals taking place in today's economy and society and is helping companies to meet their new challenges: Outsourcing of services, reorganisation of working methods and processes (teleworking, flex-office, etc.), energy efficiency of buildings, well-being of occupants, cost control, etc. To achieve this, the Group is constantly developing its service offering, diversifying and customising its services, and promoting innovation, so that wherever it operates, it can offer high added-value solutions focused on satisfying its customers' needs.

HIGHLY CUSTOMISED SOLUTIONS

One of Atalian's strengths is its ability to offer tailor-made solutions, often developed in co-creation with its customers. These solutions are based on a very detailed analysis of the company's needs and constraints, and involve technological innovation, the digitisation of processes, the use of building data, or even the opening up of new service lines (handling, shelving, space management, etc.). These solutions require test phases and, when deployed, generate gains in economic, social and environmental performance. They also enable Atalian to integrate strongly into its customers' value chains and build lasting partnerships.

AN ORGANISATION DEDICATED TO OPERATIONAL EXCELLENCE

Atalian Group has developed a culture of operational excellence. It continuously transforms and optimises its methods and processes in an effort to improve customer satisfaction and enable the Group to fully assume its social responsibility. The Group's QHSE policy has enabled it to continuously improve its performance and obtain the most demanding certifications across its perimeter. The Group's challenge is not only to maintain the certifications obtained and to make them useful in the application of processes, but also to set up expert guidelines

KEY FIGURES

95%
Share of Group turnover generated in entities with ISO 9001 or equivalent certifications

64%
Share of Group turnover generated in entities with ISO 14001 or equivalent certifications

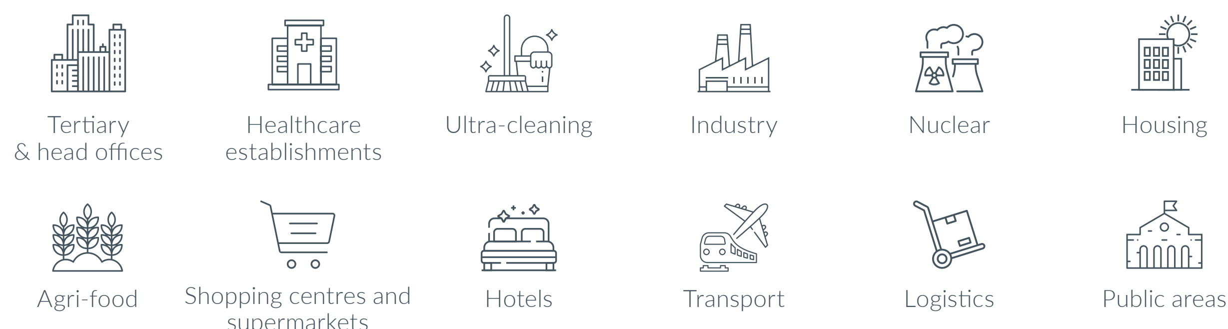
74%
Share of Group turnover generated in entities with ISO 45001 or equivalent certifications

RECOGNISED SECTORAL EXPERTISE

Atalian operates in all environments and industries, including the most demanding and sensitive: **airport, nuclear, transport networks, health, agri-food...** Regardless of the environment or sector, Atalian offers a complete range of services adapted to the specific needs of companies.

Atalian has recognised sectoral expertise and all of the certifications required to deliver services that meet the highest standards and requirements. Its business line and market experts ensure that the offers align with the challenges of the sectors in question: regulatory changes, safety standards, certifications, benchmarks, environmental impacts, social climate, technical or behavioural prerequisites... The operational teams, aware of the specifics of our customers' sectors, can therefore adapt their on-site interventions from the very start of the contracts.

For each business sector, Atalian has set up teams of specialists who provide companies with all of the necessary expertise.

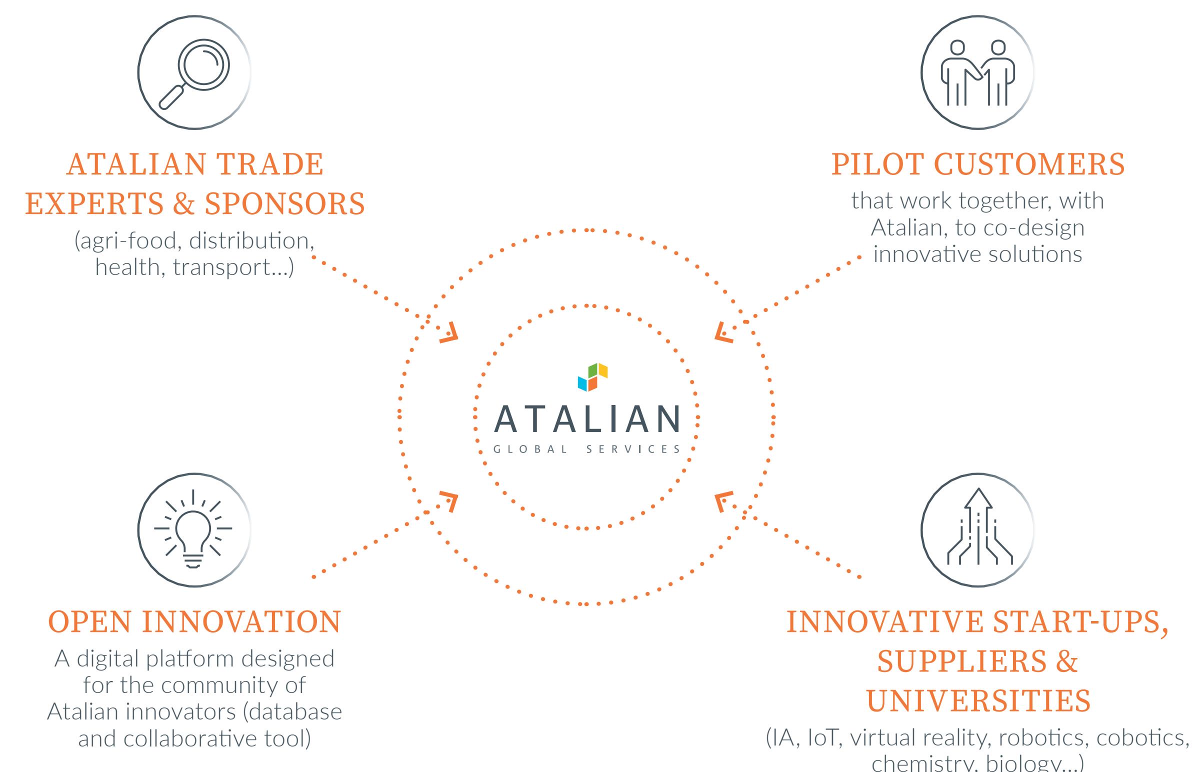


ataliań@airbus

6 tertiary and industrial sites
760 dedicated Atalian employees

AN ACTIVE AND PRAGMATIC INNOVATION APPROACH

The Atalian offer benefits from a very pragmatic innovation approach. The Group is interested in existing innovations or those under development, with a view to rapid deployments. Each studied innovation must have a concrete application, with possible integration into a marketable offer. Innovations likely to meet an identified need are tested in partnership with pilot customers (proof of concept). Depending on the observed results, they can then be deployed.



OUR PRIORITY AXES OF INNOVATION

- **Decarbonisation:** services and initiatives that limit our GHG emissions; roll-out of our Energy Management offer to our customers
- **Robotization & cobotization:** reduction of arduous and/or dangerous tasks, productivity gains, optimisation of resources
- **Pay-as-you-go services:** adapted pay-as-you-go services for buildings (occupancy, flow, satisfaction, comfort, risk control, traceability, security)
- **Agent training:** continuous and autonomous training, improvement of expertise, immersive training in relation to the environment and the real working conditions of agents, learning methods
- **Fighting precarious employment:** proposal of additional missions for volunteer employees via dedicated applications

AN EXPANDING FM STEERING OFFER

An increasing proportion of companies are looking to outsource the management of their building and occupant services in order to focus on their core business and improve their financial performance and the quality of their services. Atalian is responding to this need for outsourcing through its subsidiary Atalian Facilities, which is rapidly expanding across Europe and is **a highly strategic business for the Group**.

Atalian Facilities, the Group's subsidiary dedicated to Facility Management, supports its customers wherever they operate, through centralised and optimised steering of their outsourced services.

Bertrand LEPICIER
Head of the Atalian Facilities Division

A RESPONSE TO THE OUTSOURCING NEEDS OF LARGE INTERNATIONAL AND MULTI-SITE COMPANIES

Atalian Facilities is the Atalian Group entity dedicated to integrated Facility Management. With its quick growth, Atalian Facilities is a response to a strong market expectation and more particularly that of large national and international multisite companies that wish to focus on their core business, while improving their operational and financial performance and the quality of their products or services.

For its customers, Atalian Facilities provides centralised steering of all of the services for buildings and occupants that they wish to outsource. Whether for a multi-service or full-service, **the company has only a single point of contact: Atalian Facilities**. As part of this integrated FM steering mission, the Atalian Group can perform all or part of the services itself, via its business line subsidiaries, or delegate certain services to trusted partners selected according to the customer's needs.

atalian@mondelez

2 production sites
50,000 m² managed
200 Atalian employees and dedicated local subcontractors

atalian@atos

23 sites steered in France
220,000 m² managed
1,500 dedicated Atalian employees

BESPOKE SOLUTIONS THAT HELP COMPANIES TO MEET NEW CHALLENGES

Atalian Facilities has considerable assets, within the Atalian Group and through its ecosystem of partners, to offer bespoke solutions that will help companies to meet their new economic, social and environmental challenges. Atalian Facilities relies on the full range of know-how (cleaning, security, maintenance & energy...) and sectoral expertise of the Atalian Group and on its large geographical footprint, to deliver on its own 70% of the managed services.

Atalian Facilities is also developing partnerships with international players and start-ups in an effort to bring innovative and efficient solutions to specific or emerging issues of companies: energy supply and savings, water and waste management, smart building, new working method, occupant services, etc.

ATALIAN FACILITIES SUMMARY

€130M of turnover

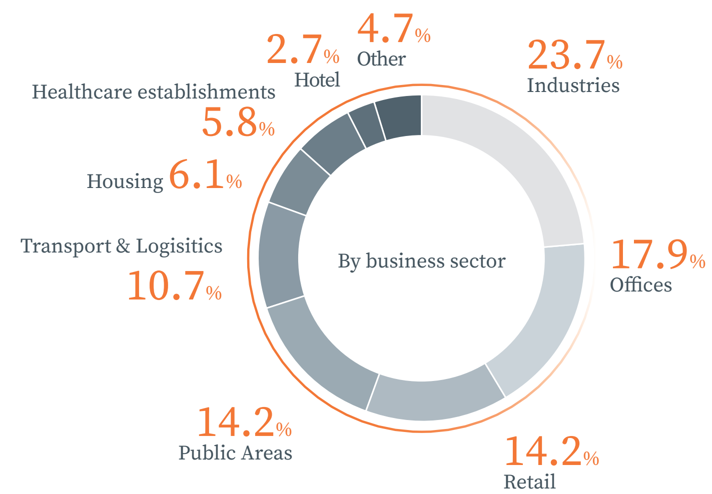
19 countries of operation

162 employees

A DIVERSIFIED CUSTOMER PORTFOLIO

Over the years, the Group has developed and maintained a diversified and resilient portfolio of customers. The Group is active in all business sectors, within the most diverse industries, the tertiary sector, transportation, administrations and public services, based on its in-depth knowledge of the environment, expectations and constraints of its customers. The Group has a very wide range of know-how and sectoral expertise that enables it to provide companies with bespoke solutions and integrated offers.

BREAKDOWN OF THE 2023 TURNOVER BY BUSINESS SECTOR



OPERATING ENVIRONMENTS AND SECTORS

INDUSTRIES
Automotive, chemicals, cosmetics, electronics, nuclear, paper, petrochemicals, pharmaceuticals, glass, iron and steel...

OFFICES
Administrative sites, head offices, co-working areas...

RETAIL
Shopping centres, supermarkets and hypermarkets, shops, retail networks...

PUBLIC AREAS
Culture, education, entertainment, sports, leisure...

TRANSPORT & LOGISTICS
Rail & air transport, urban transport, rolling stock, train stations, airports, logistics platforms...

HOUSING
Common areas of housing

HEALTHCARE ESTABLISHMENTS
Hospitals, clinics, laboratories...

HOTEL
Hotel groups, hotel residences, bars and brasseries

4 SOCIAL RESPONSIBILITY

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atalian@tour-alto-paris

51 000 m² of surface area technically maintained
1,000 occupants
7 dedicated Atalian employees

OUR SOCIAL RESPONSIBILITY INITIATIVE

CSR is an essential component of Atalian's corporate strategy. The Group has been committed to sustainable development since 2010. It has integrated the principles and structure of the ISO 26000 standard into its operations.

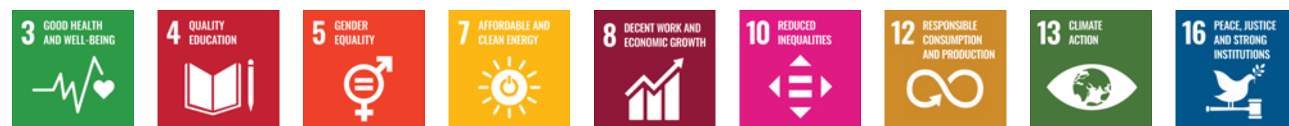
COMMITTED TO RESPONSIBLE DEVELOPMENT

Atalian has been a member of the United Nations Global Compact since 2012. Through its decisions, actions and services, the Atalian Group is helping to realise 9 of the 17 sustainable development goals (SDG) defined by the United Nations in 2015, goals that relate directly to its business lines.

Atalian is a signatory of the **Diversity Charter** (2014), the **Caring for Climate declaration** (2015) and joined the **French Business Climate Pledge** in 2021.

To formalize its objectives and commitments to its stakeholders, the Group has enacted principles, behavioural rules and procedures. In 2023, the Group reviewed all its compliance policies and procedures, establishing a new anti-corruption Code of Conduct and new complementary procedures. The Group is committed to ensuring that these policies and procedures are respected both internally and in its relations with external stakeholders: customers, suppliers, service providers, subcontractors and partners, as well as the communities affected by its activities.

THE SUSTAINABLE DEVELOPMENT GOALS TO WHICH ATALIAN IS CONTRIBUTING



A NEW CSR ROADMAP IN PREPARATION

To further its efforts, Atalian set up a steering committee and workshops at the end of 2023 to review its CSR roadmap.

Atalian is being supported in this project by a specialist consultancy firm in order to meet its customers' expectations as effectively as possible, as well as complying with regulations. The aim of this global project is to better serve and support customers in their CSR needs, while complying with the highest sectoral and regulatory requirements. The objective is to contribute to our clients' own CSR objectives through their "Scope 3".

In order to produce a new and coherent CSR roadmap that is fully integrated into the Group's strategy, the project is taking place in several phases:

- benchmarking and assessment of the Group's CSR maturity
- mobilisation of employees identified in workshops and interviews to determine objectives and areas of work
- organisation of steering commitees meetings to validate the main thrusts of the roadmap (challenges, objectives, KPIs, prioritisation and timeline)
- validation by Comex and the CEO.

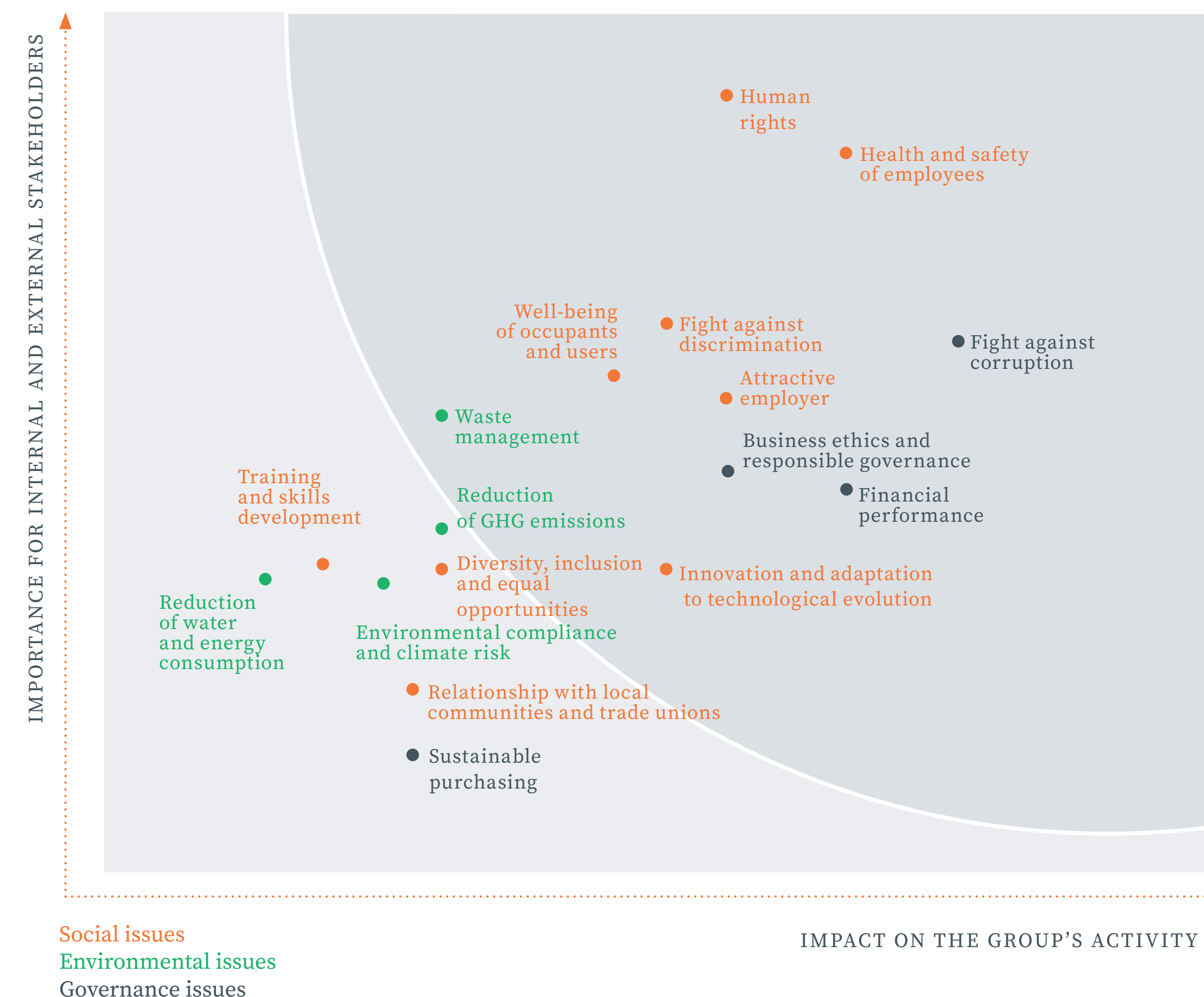
The process of revising the roadmap is already well under way, and the Group is currently in the process of validation by the various stakeholders and the Management Board, for deployment in the first half of 2024.

OUR 10 PRIORITY CSR ISSUES

The Group's CSR strategy has drawn up a list of 17 environmental, social and governance issues, and prioritised them according to their importance for the Group's stakeholders and their impact on its activities.

1. Health and safety of employees
2. Fight against corruption
3. Human rights
4. Financial performance
5. Attractive employer
6. Fight against discrimination
7. Business ethics and responsible governance
8. Well-being of occupants and users
9. Innovation and adaptation to technological evolution
10. Waste management

ATALIAN MATERIALITY MATRIX



PROMOTING INCLUSION AND DIVERSITY

The Atalian Group plays a major social role in all the countries where it operates. It actively contributes to inclusion in the world of work and promotes equal opportunities and diversity. Atalian is fully committed to combating discrimination and has put in place policies for the integration of people in difficulty and people with disabilities. These initiatives help to develop individual skills and to promote professional integration for all.

ATTRACTING TOMORROW'S TALENT

In 2023, Atalian was awarded the **HelloWork «Super Recruiter»** label. This label demonstrates the professionalism of the Group's recruitment process and its commitment to improving the candidate experience. The Super Recruiter label is a mark of the Group's commitment to transparency in its dealings with applicants and has enabled it to stand out from the crowd and attract the best candidates. It has enhanced the employer brand and reassured candidates.

Atalian has also adopted **an inclusive employer brand communication strategy**, promoting its employees on social networks and job boards. The intensification in 2023 of this communication strategy for all of Atalian's business lines has made it possible to promote the diversity of our business lines, the professional integration of young people via work-study programmes, support for our employees and career development within the Group.

UPROVIDE A SPRINGBOARD FOR LONG-TERM UNEMPLOYED PEOPLE

Atalian also invests in professional reconversion and organises training for jobseekers within the framework of a **Collective Operational Preparation for Employment (COPE).**

In 2023, the Maintenance & Energy division has recruited 13 employees with different backgrounds and profiles, who are moving towards a new career path: becoming HVAC Maintenance Technicians.

KEY FIGURES

> 65,600 employees

155 nationalities

26% Employment rate of seniors

4% Employment rate of juniors

4.2% Employment rate of workers with disabilities

ENCOURAGING DIVERSITY AND INCLUSION

As a signatory of the Diversity Charter since 2014, Atalian strives to create a working environment where every individual is respected and valued. **Atalian is committed to combating all forms of discrimination** (age, sex, ethnic origin, religious conviction, etc.) at all stages of the management of human resources (hiring, training, professional advancement, promotion), and to increasing the integration of people with disabilities or limited literacy skills, as well as low-income workers and the long-term unemployed.

DEFENDING EQUAL OPPORTUNITIES

Atalian is a founding **member of the Aéro Impact Ressources Humaines (AIRH) association**. This association enables Atalian to make an active contribution to local employment, professional training and integration, and, more broadly, to positive spin-offs in the communities surrounding airports.

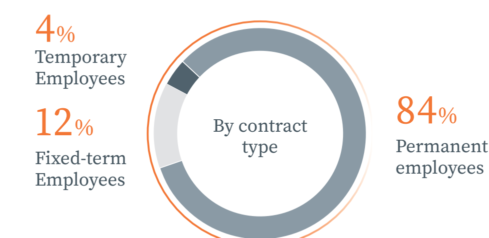
AIRH's key tool is the Aerowork recruitment platform, which Atalian uses for its airport recruitment. This CV-free, discrimination-free recruitment method, based on candidates' interpersonal skills, aims to help candidates find a job that really suits them.

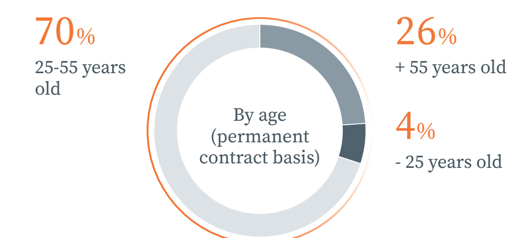
COMBATING JOB PRECARITY

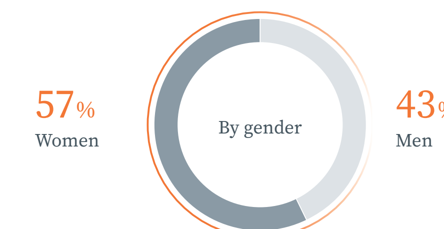
Combating job precarity is a priority for the Group. Whenever possible, Atalian offers its employees contracts or **amendments that reduce job precarity** by promoting:

- hiring on permanent rather than fixed-term contracts,
- full-time rather than part-time contracts for new recruits,
- proposals for additional hours by means of supplementary agreements to increase employees' working hours,
- continuous and/or daytime working.

DISTRIBUTION OF JOBS WORLDWIDE







DEVELOPING OUR EMPLOYEES' EXPERTISE

Human capital is a major priority for Atalian. The Group does its utmost to attract and retain a wide range of talented people and ensure their ongoing professional development. This strategy is part of a forward-looking management of jobs and skills aimed at anticipating and preparing for the future by aligning skills requirements with the company's strategic objectives.

TRAINING TAILORED TO THE NEEDS OF OUR EMPLOYEES

The Group has developed the **Atalian Academy** to provide a range of training programmes for its employees, using both internal and external trainers. The "Becoming an Account Manager" training plan is a a 100-hour programme over several months that trained its second class of students in 2023.

The Group is also continuing its **literacy training course for employees** who are interested. In 2023, it provided 6,500 hours of training.

The Group's major training project in 2024 will involve supporting and upgrading the skills of its **Account Managers**. Based on an in-depth analysis of the role of Account Manager, the Group will develop and deploy the HR tools and processes needed to meet all the challenges of this key position. These tools will be aimed at maintaining and enhancing the skills of Account Managers, spotting potential and structuring gateways and mechanisms for career development and training. A toolbox to encourage and organise their managerial role will complete the package.

WORK-STUDY, TO INTEGRATE FUTURE TALENTS

Atalian believes in work-linked training and is actively developing it to offer students training tailored to their professional aspirations and immersion in the world of work, thereby increasing their employability. For Atalian, work-linked training is an opportunity to **promote the Group's development and innovation** by integrating young talent, trained according to its specific needs. The synergy between theoretical training and professional practice prepares students to meet the demands of the company, while enriching it with freshly acquired and up-to-date skills.

FORWARD-LOOKING MANAGEMENT OF SKILLS AND CAREERS

Career and mobility management helps **to build loyalty among the Group's employees and to attract high-potential employees**. At the beginning of each year, the annual performance review is a real opportunity for managers and their immediate employees to exchange views.

As part of its strategy of digitalising tools and processes, in 2023 the Group deployed TalentSoft to carry out its annual performance interview campaigns and manage its talent reviews.

KEY FIGURES

> 65,600 employees

371,158 hours of training provided

23,301 employees trained

ESTABLISHING A GENUINE HEALTH AND SAFETY CULTURE

Atalian is committed to ensuring a safe and healthy working environment for all its employees. The Group's policy on health and safety at work has enabled it to achieve very high standards, attested to by multiple certifications and by the constant improvement of performance indicators throughout the Group.

REDUCE THE RISKS RELATED TO OUR ACTIVITIES

Atalian implements the necessary measures to limit the risks associated with its activities. The Group ensures that safety standards are strictly applied and implements **Health, Safety & Environment training programmes** to raise employee awareness of best safety practices and prevent workplace accidents. Talks are organised very regularly. Information flashes are sent by SMS to all employees working on site, etc.

Atalian is also involved in the ProSafe project, which aims to embed the issue of musculoskeletal disorders in all the company's key processes.

KEY FIGURES

74% Share of Atalian turnover generated through certified Health and Safety entities

33 Number of Health and Safety certifications worldwide*

Workplace accidents

17.4 Group frequency rate

0.77 Group severity rate

**ISO 45001 or equivalent*

OPTIMISING AND SUSTAINING OUR ORGANISATION AND PROCESSES

As the Group's activities become increasingly complex and regulations more rigorous, Atalian is constantly seeking to professionalise its organisations, streamline its methods and processes, and equip itself with appropriate, easy-to-use and effective QSE management tools to steer its action plans and measure its performance.

CONTRIBUTE TO DECARBONISATION

Fully aware of the urgency of climate change and the current socio-economic challenges, Atalian has stepped up its efforts to **minimise its own ecological footprint** and that of its customers. Atalian is committed to a responsible and ambitious approach to decarbonisation, in line with the United Nations' sustainable development goals. Since 2010, Atalian has incorporated the principles of the ISO 26000 standard on corporate social responsibility.

OPTIMISING ENERGY MANAGEMENT IN BUILDINGS

Atalian, through its subsidiary Ergelis, is **an innovative player in building energy management**. Its range of solutions incorporating digital technologies makes it possible to collect occupancy and operating data, process this data and optimise the energy management of buildings.

The Group's teams of Energy Managers, who are building professionals in operation, help their customers to achieve their energy efficiency targets and meet the requirements of the BACS Decree and the Tertiary Decree, thereby helping to make buildings more efficient, more sustainable and more environmentally friendly.

USE OF ECOLOGICAL PRODUCTS

For our cleaning activities, we systematically propose **eco-responsible products** (less water consumption, less aggressive, less harmful to people and the environment, etc.). We propose this even in countries where there is no particular demand.

In addition, the Group has embarked on a rationalisation process for its products, focusing on concentrated, eco-labelled cleaning products that are more respectful of the environment, resulting in a reduced carbon footprint thanks to fewer deliveries from suppliers, as well as FSC (Forest Stewardship Council) sanitary consumables ranges.

REDUCING GREENHOUSE GAS EMISSIONS

Atalian uses a fleet of several thousand vehicles for its activities. **To reduce its carbon footprint and its fuel consumption**, the Group promotes the use of less polluting vehicles, optimises travel, trains drivers in eco-friendly driving, and systematically offers the use of eco-friendly cars in its offers.

WASTE SORTING AND RECYCLING

The waste produced by our activities on customer sites is processed either directly in the structure set up on-site, or through outsourcing with our partners with which we have signed framework agreements. We also work with collection organisations for specific waste treatment. The increasingly restrictive regulations favour the generalisation of standardised sorting concepts to accelerate their deployment.

RECONDITIONING OF MATERIALS

Atalian, in partnership with Ennea Groupe, a specialist in the reuse and reconditioning of professional equipment, is rolling out a system for **reconditioning its cleaning machines**, both motorised and non-motorised: scrubbers, sweepers, injector-extractors, vacuum cleaners, carts, etc. Initially launched as a trial at the end of 2022 in one of its regions, equipment reconditioning is now being rolled out in many of its regions.

The reconditioning of cleaning equipment fully contributes to our sustainable development initiative:

- reduction of the amount of waste produced and of our carbon footprint,
- transition to a circular economic model,
- creation of local jobs for technicians,
- encouraging our suppliers to adopt a virtuous approach (supply of spare parts) and assessing the reparability rate of their equipment.

KEY FIGURES

64% Share of Atalian turnover achieved in entities certified ISO 14001 or equivalent

13 Number of ISO 14001 or equivalent certifications worldwide

PROMOTE RESPONSIBLE PURCHASING

The Atalian Group's responsible purchasing strategy is a central element of its CSR policy, contributing to its sustainable development and overall performance. It includes **developing the purchase of non-harmful products and respecting ethical rules** in relations with stakeholders and in the conduct of business. This approach is not only beneficial for the environment and society but is also seen as a performance driver for the Group.

The social and environmental aspects are increasingly important in our decisions, but also in our customers' choices.

Jérôme MENIN
Head of Group Purchasing

ECO-RESPONSIBLE PRODUCTS AND SOCIALLY COMMITTED SUPPLIERS

The Group's purchasing strategy has been strongly impacted by inflation and the Group's geographical refocusing. This situation has enabled the Group to identify and consolidate strategic partnerships.

In 2024, Atalian's priority in terms of responsible purchasing will be to integrate sustainability criteria into its purchasing decisions, in particular a preference for eco-responsible products. Atalian has initiated a process to rationalise its product purchases, giving preference to concentrated, eco-labelled cleaning products, which reduce packaging and GHG emissions linked to their transport, as well as FSC-labelled (Forest Stewardship Council) ranges of sanitary hygiene consumables.

Atalian also aims to ensure that its suppliers comply with social and ethical standards and laws, by rationalising the supplier panel, strengthening key partnerships and better evaluating suppliers with a view to implementing a continuous improvement process.

A POLICY IMPLEMENTED IN ALL OUR COUNTRIES

For several years now, the Group's purchasing policy has been rolled out in all countries, and the roadmaps, although adapted to the specific characteristics of each country, are based on a common core aimed at simplifying, optimising and rationalising purchasing. Many of the Group's subsidiaries in Europe are progressing well in terms of purchasing maturity.

Over the past 3 years, the Group's objective has been to move from a tactical purchasing policy, essentially focused on supply, to a strategic purchasing policy that focuses on value creation.

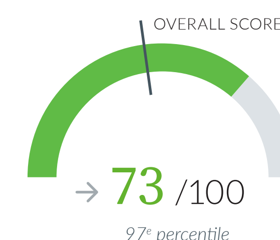
OUR SOCIETAL PERFORMANCE

The Atalian Group's social responsibility is commensurate with its position within its business sector. The Group employs more than 65,600 people worldwide and is involved in businesses with real economic, social, environmental and societal challenges.

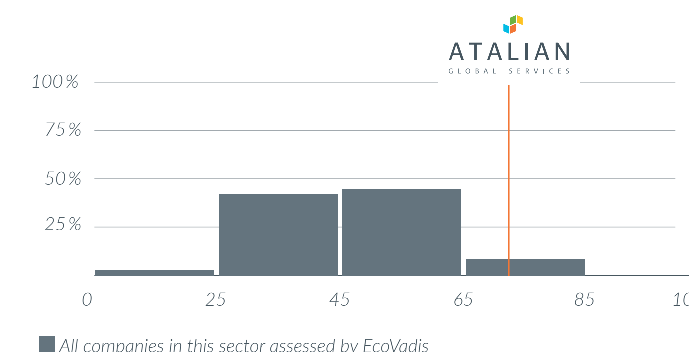
To measure its impacts and progress, the Atalian Group set up a global reporting system that includes nearly 70% of the GRI G4 indicators. The Group obtained a score of 73/100 and received the EcoVadis Gold medal, which reflects its commitment to sustainable development.

ECOVADIS OVERALL SCORE

In its business sector, the Atalian group is in the **top 2%** of companies best rated by EcoVadis.



DISTRIBUTION OF ECOVADIS OVERALL SCORES FOR FM COMPANIES



DETAILS OF OUR SCORE ON THE VARIOUS CRITERIA

EcoVadis CSR assessment methodology

The EcoVadis CSR assessment methodology is based on international CSR standards (Global Reporting Initiative, United Nations Global Compact, ISO 26000). It is led by a scientific committee made up of CSR and supply chain experts, to ensure independent and reliable CSR assessments.

atalian@ST-microelectronics-fr

Cleaning, waste management, logistics & handling
95,000 m² managed
40 dedicated Atalian employees

5 FINANCIAL PERFORMANCE

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PRESENTATION OF THE GROUP'S FINANCIAL PERFORMANCE IN 2023

Laurent CARROZZI
Group CFO

PANORAMA

2023 has been a transformative year for the Atalian Group. Throughout the year, we refocused on Continental Europe, implemented a new consumer-centric and profitability-oriented strategic plan, renewed the management team with seasoned executives and, with a conclusion early in 2024, successfully refinanced our bond debt.

As illustrated in our financial performance, we managed to drive efficient productivity measures, indexation progress, to cope with an economic environment impacted by inflation.

These achievements, combined with our commercial development, are significant advances, bolstering our confidence in the future and strengthening the Group's ability to better capitalize on the vast opportunities across the various facility management service segments in Europe.

The presentation of the 2023 financial performance data and the comparison with the 2022 data is made in the context of the Group's new configuration, in accordance with IFRS 5 regulation.

NET SALES

In 2023, consolidated net sales amounted to €2,003 million, up 4.1% when compared to 2022 (+€79 million).

This variation resulted from:
- organic growth of €160 million (+8.3%),
- change in scope of -€35 million (mainly activities in Africa sold in Q4 2022, which are however retained in the continued activities perimeter in 2022),
- a negative exchange rate effect of -€45 million (mainly due to the depreciation of the Turkish lira against the euro).

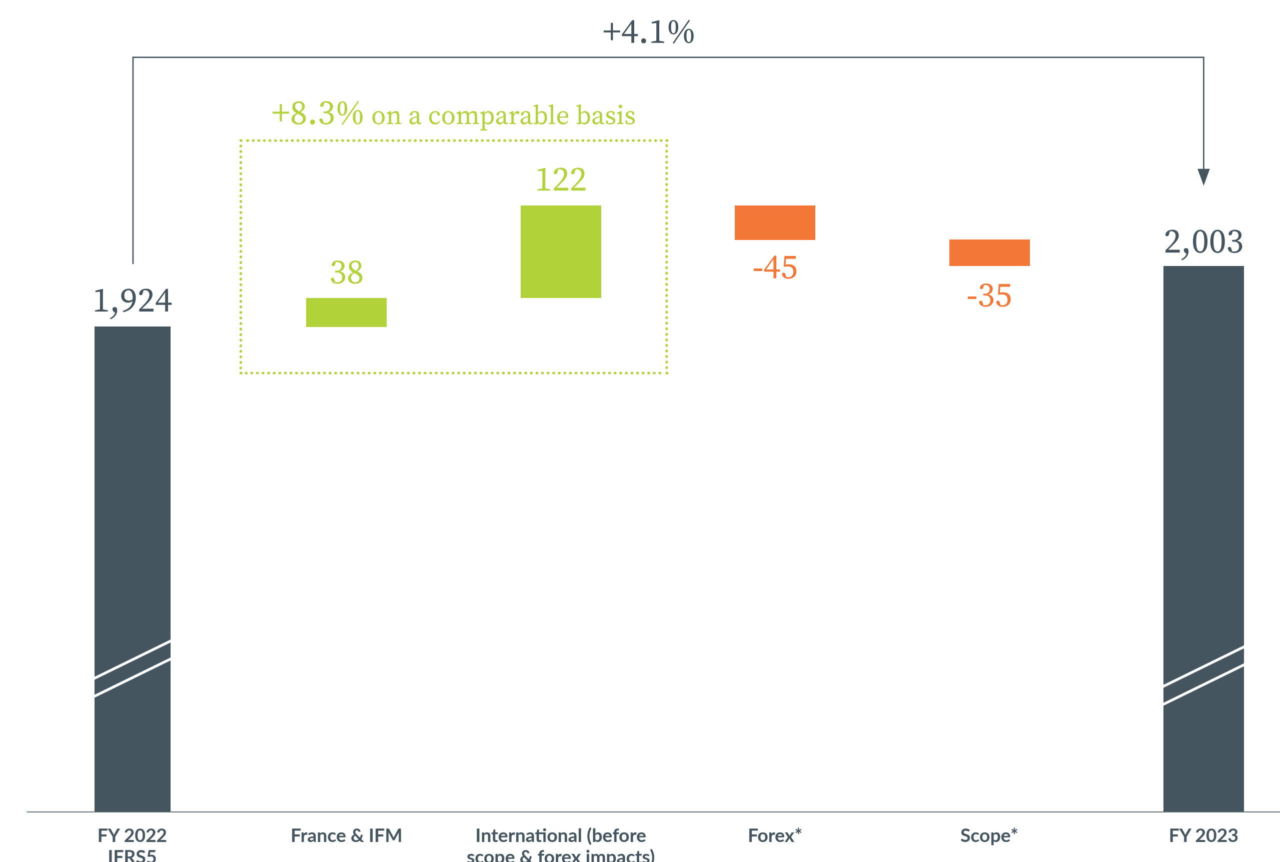
This growth reflects growth of operations driven by indexation and contract wins, notably in Central & Eastern Europe. Central & Eastern Europe net sales also benefited from higher sales in Türkiye, driven by positive commercial dynamics in an environment of hyperinflation.

In France (including IFM), net sales increased by +2.7%, to €1,429 million, as compared to €1,392 million in 2022, mainly driven by cleaning operations and IFM operations. Indexation and benefits from new contracts gained end of 2022 and early 2023 have been partly offset by Covid-19 related special works in 2022 not reconducted in 2023 and by loss of a major security contract with Groupe ADP (Paris airports).

For international operations, in 2023, net sales increased by +8.2%, to €580 million. When excluding the negative effects of perimeter changes (mainly Africa) and foreign exchange rates impact (mainly due to the depreciation of the Turkish lira versus the euro), net sales on a comparable basis increase by +23.2%. This strong increase reflects the growth of operations notably in Central & Eastern Europe, where specific actions and management changes in some countries have been implemented to re-boost organic growth and to secure appropriate passthrough to clients in all geographies. Central & Eastern Europe net sales also benefited from higher sales in Türkiye, driven by positive commercial dynamics in an environment of hyperinflation.

EVOLUTION OF THE GROUP NET SALES

In millions of euros



*Net on hyperinflation in Türkiye
** Mainly activities in Africa sold in Q4 2022

EBITDA

FY 2023 recurring EBITDA decreased by 15.8% or -12.3% on a comparable basis. Recurring EBITDA margin is down 114 bps to 4.8%, but up 64 bps to 5.1% in Q4 2023 compared to Q4 2022 reflecting the constant improvement throughout the year.

While productivity measures, indexation plan and commercial measures are all underway, recurring EBITDA was negatively impacted by lower contribution of Covid-19 related special works notably in the first half of 2023, and by the lag effect of the full impact of indexation measures. In addition, FY 2022 EBITDA benefited of non-recurring balance sheet impacts and P&L positive reclassification.

OPERATING PROFIT (EBIT)

Operating profit decreased to €(1.9) million in 2023 from €38.2 million in 2022. This decrease mainly reflects the impact of lower Recurring EBITDA notably in the first half of 2023, and more significantly of non-recurring items.

Operating profit excluding non-recurring items amounted to €40.9 million, compared to €50.7 million in 2022. The decrease is mainly explained by the EBITDA decrease.

Non-recurring items accounted for in 2023 amounted to €43 million, including €12 million restructuring costs, €10 million relating to the refocusing of the Group's operations, €4 million refinancing costs, €9 million of provision for sick-leave due to change in the French regulation, €3 million impairment and €5 million of miscellaneous non-recurring items.

NET INCOME (LOSS) FOR THE PERIOD

Net profit for the period is positive to €39.9million in 2023 as it includes capital gain from the sale of operations in the UK, Ireland and Asia in the discontinued operation line. 2022 includes losses from the US (including goodwill impairment) accounted for as discontinued operations.

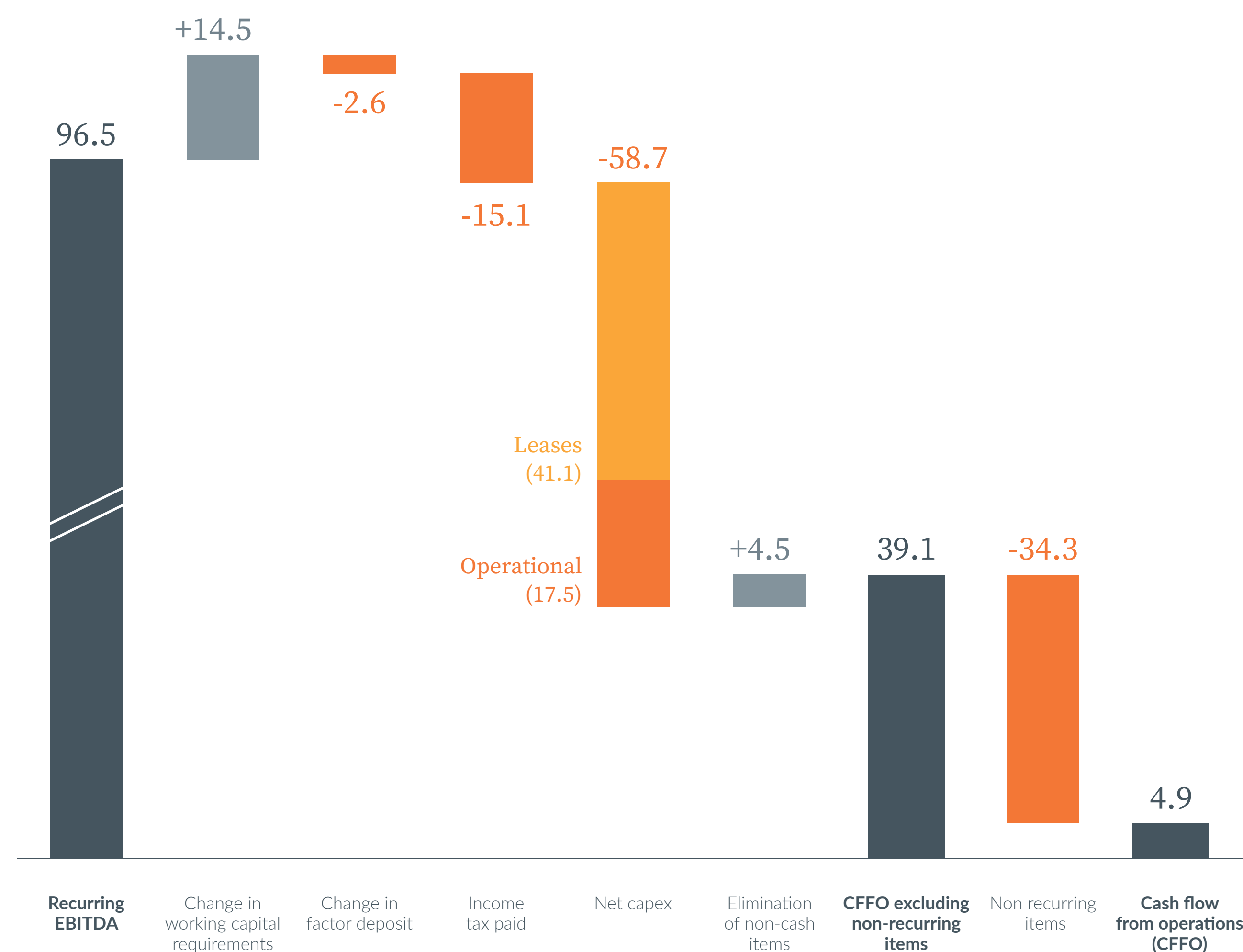
CASH FLOW FROM OPERATIONS

Cash flow from operations (CFFO) improved from -€0.6 million in 2022 to +€4.9 million in 2023. This growth reflects the positive variation of change in working capital requirements, and lower operational capex, more than offsetting the EBITDA decrease.

Excluding non-recurring items CFFO improves by €24 million, from €15 million to €39 million. Exceptional non-recurring items of €34 million in 2023 included €14 million restructuring costs, €10 million costs relating to the refocusing of the Group's operations, €4 million costs related to the refinancing of the bond debt and €6 million of miscellaneous non-recurring items.

CASH FLOW FROM OPERATIONS IN 2023

In millions of euros

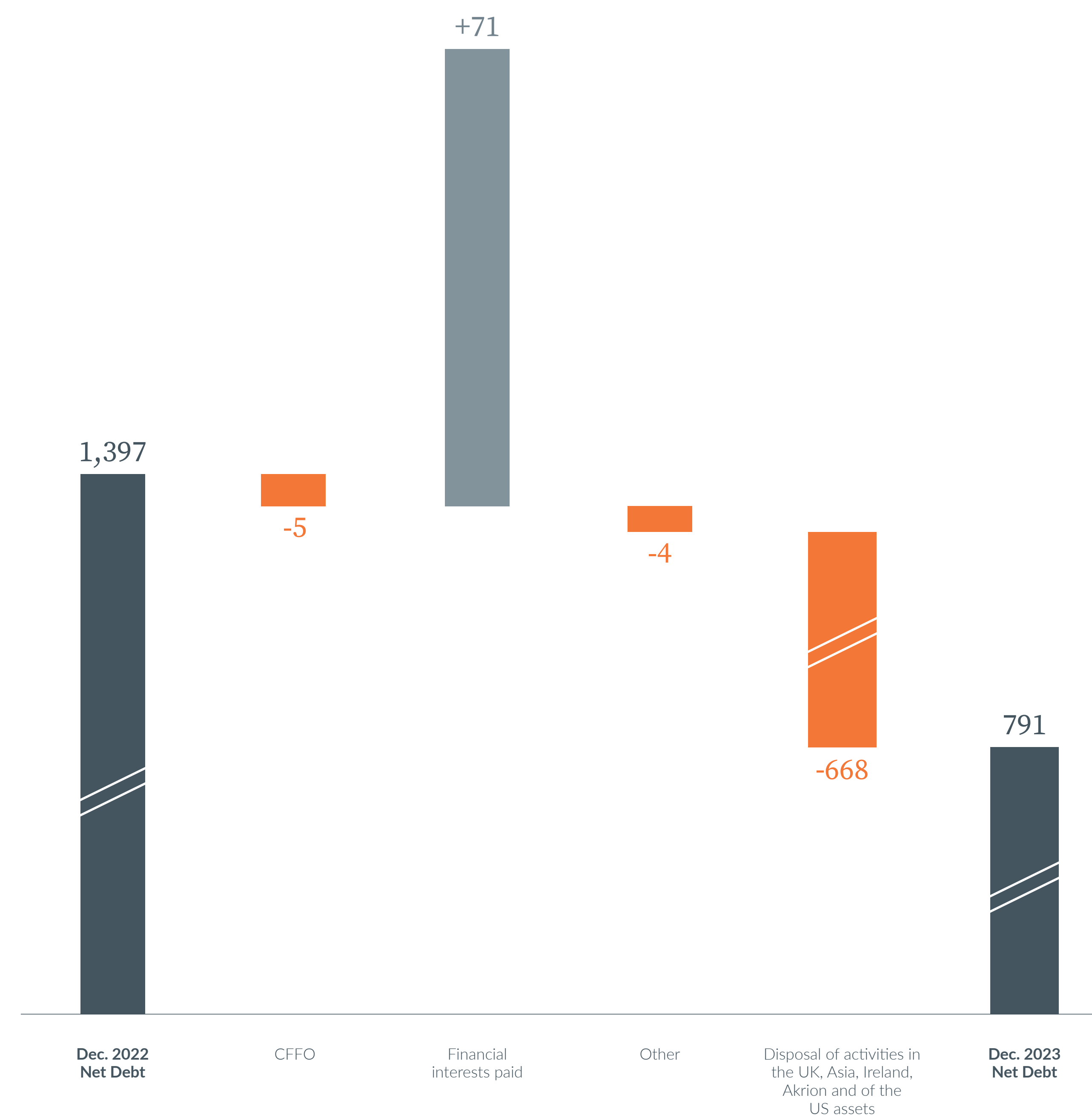


NET DEBT

Net debt decreased from €1,397 million at the end of December 2022 to €791 million at the end of December 2023. This significant improvement mainly results from the sale of the operations in the UK, Ireland, and Asia to CD&R.
As announced on March 28th, 2024, the Group finalized its refinancing. This transaction enables Atalian to reduce the nominal value of its long-term debt by €400 million, extend the maturity by 4.5 years to June 2028 and significantly reduce its annual cash interest expense.

NET DEBT EVOLUTION

In millions of euros



ATALIAN
GLOBAL SERVICES

6 RISK FACTORS

RISK FACTORS

Any deterioration in global and regional economic conditions, political developments, as well as other factors beyond our control, may negatively impact our businesses.

We are susceptible to economic recessions or downturns, inflation and macroeconomic cyclicality accordingly presents a challenge for us. The growth in demand for our services generally correlates with economic conditions, including growth in the gross domestic product in our principal geographic markets. For example, amidst a weak economic environment, our customers may seek to downsize their businesses, delay their outsourcing projects, or otherwise reduce their demand for our services, in particular those services that customers perceive as discretionary (including, for example, with respect to hours, types of services, or scope of services). Periods of recession may also have an adverse impact on prices and payment terms, including in respect of services that customers may perceive as non-discretionary. In addition, at times of economic uncertainty, our public sector customers may face extensive budgetary or political pressures. We have historically been exposed to downturns in the geographic markets in which we operate.

Our financial and operating performance has previously been adversely affected by periods of recession and could be further adversely affected by a worsening of general economic conditions in the markets in which we operate, as well as by international trading market conditions and related factors. In addition, in economic downturns in the past, our customers have often reduced the volume of additional services they ordered as supplements to and above their existing contracts, as they typically scale back such services in a difficult economic environment.

Other circumstances can also impact our revenues. For example, the Covid-19 pandemic required building operators to apply more stringent sanitary measures, which increased our net sales in 2021 and in the first half of 2022 as a result of the provision of these services. However, customer demand for these services was not sustained as the pandemic receded, resulting in lower net sales related to this activity in the second part of 2022 and in 2023.

We may not be able to sustain our current revenue or profit levels if adverse economic events or circumstances occur or change in the countries in which we operate. In addition, the economies of the countries in which we operate may not experience growth in the future and increase in demand for our services in these markets may not occur.

Inflation may adversely impact our business, financial condition and results of operations.

Our financial and operating performance is also affected by inflation, which can have an adverse impact on our operating margins. This was the case in 2022 and 2023 as staff costs, and later on raw material costs, increased significantly, which we were initially unable to fully pass through to customers. This negatively impacted our results at the end of 2022 and in early 2023. Since the beginning of 2023, the Group has taken several actions to pass these higher costs to customers, with a remaining lag effect estimated at three months.

In addition, our activities in Turkey were impacted by a situation of hyperinflation and has seen the value of the local currency plummet. In 2023, Turkey represented approximately 4.8% of the Group's consolidated net sales (excluding the Group's activity in the United States, which was sold in October 2023). Although inflation rates have moderated somewhat recently, continued high inflation or future increases in inflation may result in decreased demand for our products and services, increased operating costs, including our labor costs, reduced liquidity, and limitations on our ability to access credit. In addition, central banks in Europe and the United States have raised, and may continue to raise, interest rates in response to concerns about inflation. Continued high interest rates or increases in interest rates, especially if coupled with reduced spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks, which may result in economic recession. In an inflationary environment, we may be unable to raise the prices of our products and services at or above the rate at which our costs increase, which may reduce our operating margins and have a material adverse effect on our financial results. We also may experience lower than expected sales and potential adverse impacts on our competitive position if there is a decrease in customer spending or a negative reaction to our pricing.

Our business, financial condition and results of operations and prospects may be adversely affected by adverse events outside of our control.

Natural disasters, including hurricanes, earthquakes and droughts, global calamities, pandemics and other public health crises, or political unrest, acts of terrorism and global conflicts could disrupt the Group's operations or those of its clients, negatively affect the Group's revenues and operating results, heighten the volatility of global financial markets and negatively impact the economic environment in which the Group and its clients operate. Such events may be impossible to anticipate, and the Group or its clients may be unsuccessful in mitigating the adverse effects caused by them, which could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to successfully implement our strategies.

Since the beginning of 2023, we have refocused our strategy to become a leader in facility management in Continental Europe, aiming at creating sustainable value for all our stakeholders and becoming the preferred partner of our customers in the implementation of specific or global facility management (FM) services. In particular, we aim to (i) improve profitability through continuous improvement initiatives, (ii) drive sustainable organic growth, particularly in the Group's historic activities, (iii) develop our integrated Facilities Management (iFM) business to answer customers' increasing demand for global solutions, and (iv) pursue external growth through select bolt-on acquisition opportunities. There is no assurance that our objectives will be achieved within our expected timeframe or at all, or that that the costs of implementing our strategy or the resulting benefits will be at the levels we currently expect. Our strategies may also be affected by factors beyond our control, such as inflation and volatility in the global economy and in each of our markets, our customers' acceptance of our initiatives and offerings and the levels of activity of our customers. Furthermore, our ability to achieve our strategies may be affected by the occurrence of other risks that are described in this section "Risk Factors." In particular, the ability to pursue acquisition opportunities may be limited by certain acquisition-related covenants in the indenture governing our senior secured notes. Any failures, material delays or unexpected costs related to the implementation of our strategy could have a material adverse effect on our business, financial condition and results of operations.

We face risks associated with acquisitions and may be unable to integrate past acquisitions successfully, which could adversely affect our operations and financial condition.

Over the years, our business has benefitted from acquisitions of companies, and we may consider making targeted bolt-on acquisitions in the business segments and geographies where we are already present, as we pursue our growth strategy in the future. In the context of such acquisitions, the Group could encounter the following difficulties:

- the integration of new companies could result in substantial costs, as well as delays or other financial and operational difficulties;
- the assumptions made in the business plans of the acquired companies could prove to be incorrect, particularly in terms of synergies and performance;
- the completion of acquisitions in a country that is not the Group's home country could involve increased risks;
- the acquisition of new companies could generate unforeseen legal constraints, such as liabilities that are more significant than those assessed during the due diligence phase of acquisition; and
- our ability to pursue acquisition opportunities may be limited by certain new acquisition-related covenants in the indenture governing our senior secured notes.

In general, the expected benefits of future or completed acquisitions may not materialize within the expected timeframe and at the expected levels, which could have a material adverse effect on the Group's business, financial position, results and outlook.

We also face risks associated with the continued integration of past acquisitions, including costs and issues relating to monitoring, hiring and training of personnel, or the integration of IT and accounting and internal control systems; costs associated with adapting our services to the requirements of the local market of the acquired business and local business practices, or developing appropriate risk management and internal control structures for operations in a new market, or understanding and complying with a new regulatory scheme; new tariffs, taxes and other restrictions and expenses, which could increase the prices of our services and make us less competitive; retention of key personnel or customer contracts of acquired businesses; unanticipated events, circumstances or legal liabilities related to the acquired businesses; and the fact that our acquisitions may not achieve anticipated synergies or other expected benefits.

Moreover, we may incur write-downs or impairment charges or encounter other difficulties in connection with completed acquisitions which could adversely affect our business, results of operations and financial condition.

The services that we provide may be exposed to price and margin pressure, and we may be unable to attract new customers and retain existing customers at competitive pricing and margin levels.

We may be forced to decrease prices for our services due to a number of factors, including challenging macroeconomic conditions or increased competition in connection with contractual arrangements providing for periodic renegotiation of pricing terms. We may be unable to compensate for these price decreases by attracting new business, reducing our operating costs (for example, through reductions in headcount, increases in labor productivity or other gains in cost efficiency) or otherwise, which could lead to a decline in our profits. Services such as our cleaning services and our security services (other than airport security services) have been particularly exposed to price pressure in recent years. Continued pressure on the margins achieved in contracts with our larger clients, and the loss of such contracts, may have a material adverse effect on our business and results of operations.

Moreover, since purchases consumed, external charges and personnel costs represented, in the aggregate, approximately 94% of our net sales in the year ended December 31, 2023, the profitability of our contracts will generally depend on our ability to control these costs successfully, notably in case of price inflation, and a failure or impossibility to manage or estimate these costs accurately when pricing our services could result in a decline in profits and profitability. For example, during the first months of execution of a new contract, we may incur start-up costs related to technical equipment and employees' uniforms that often result in operating losses. Generally, there is a progressive reduction in operating losses in each successive month of execution of the contract with the contract typically generating operating profit within six months of the beginning of its term. If we fail to control such start-up costs, or do not accurately estimate the amount of such costs when pricing our services, we may experience significant losses in respect of a contract, which could have a material adverse effect on our businesses, results of operations and financial condition.

Price inflation can be caused by several factors, such as scarcity, increases in oil and transportation prices, or geopolitical situations such as the war in Ukraine. Increase of payroll costs (notably further to the regulatory increases of the minimum wages and similar changes in local regulations) are another significant element of our operating costs as our business requires a large number of staff. Our ability to anticipate changes in these costs and to control them is key to efficiently managing our financial performance. Our ability to pass on cost increases in our contract business is determined by the terms of those contracts.

The level of risk borne due to changes in costs and their impact on probable margins varies depending on the type of contract under which the services are provided. If we are unable to renegotiate pricing terms with our clients in a timely fashion, we would be exposed to losses due to higher-than-expected costs.

Any failure on our part to control costs or adapt to higher costs could have a material adverse impact on our earnings and our financial position.

Furthermore, bundled contracts are more complex to price due to their scope and complexity as compared to single service contracts, and these complexities may increase to the extent that the contract relates to the performance of newly outsourced services in multiple geographical segments.

Any such contracts for newly introduced services will also require us to accurately assess the pricing terms and forecast the operating costs, some of which will be unknown to us at the time of entering into the contract and will require extensive time and resources of our management to predict. In addition, our contracts may include performance-related measures for our services, may limit our ability to adjust fully or on a timely basis our prices as our costs increase or according to an inflation index or other appropriate index, all of which increases the risk associated with our contracts and could adversely impact profitability.

In addition, the impact of laws and regulations, in particular labor and employment laws and regulations, may restrict our ability to achieve cost reductions and other efficiency gains.

See the risk factor entitled "*Our businesses are subject to various laws and regulations, including in relation to labor and employment, and changes in or violations of such laws or regulations may adversely affect our businesses and profitability.*" Price and margin pressures may therefore lead to a reduction in average prices and margins for our services, which could also have a material adverse effect on our business, results of operations and financial condition.

Our businesses are subject to various laws and regulations, including in relation to labor and employment, and changes in or violations of such laws or regulations may adversely affect our businesses and profitability.

Due to the nature of our industry and the global reach of our operations, we are subject to a variety of laws and regulations governing areas such as labor, employment, pensions, immigration, health and safety, tax (including social security, salary taxes and transfer pricing policies), corporate governance, customer protection, business practices, competition and environment and compliance regulations. We incur, and expect to continue to incur, substantial costs and expenditures, and we commit a significant amount of our management's time and resources to comply with increasingly complex and restrictive regulations. Total personnel costs represented approximately 68% of our total net sales in the year ended December 31, 2023. Labor and employment laws and regulations have historically had a significant effect on our operations. Changes in such laws and regulations may increase our operating costs and diminish our operational flexibility. Furthermore, any failure to comply with the laws or regulations of the countries in which we operate may result in fines, penalties or other means of suspension or termination of our right to provide certain services in the relevant jurisdiction.

Certain past and on-going investigations of us and our ultimate principal shareholder by French judicial authorities could adversely affect our reputation, results of operations and financial condition.

We and our ultimate principal shareholder have been the subject of several criminal investigations by the French authorities. In February 2022, the President of the Paris judicial court approved a public interest agreement (*convention judiciaire d'intérêt public*, or CJIP) between us and the Paris prosecutor's office without admission of guilt on the part of the Group. The CJIP relates to allegations of criminal fraud concerning the use of false invoices in context

of the planned sale of two of the Group's subsidiaries in 2014 and 2015. Upon entering into the CJIP, the criminal proceedings against the Group were suspended. Under the CJIP, the Group agreed to pay a fine in the public interest of €15 million as well as damages of approximately €470,000. These proceedings have caused us to incur additional costs, including legal fees, and negatively impacted our reputation.

In connection with the CJIP we entered into in February 2022, we also agreed to submit our compliance program to monitoring by the French Anti-Corruption Agency (AFA) over a period of two years. In this context, we have had to implement its recommendations within the applicable deadline. The AFA is expected to issue its conclusions in the first half of 2024. If the AFA determines that we have not satisfactorily implemented the required changes to our compliance program, then the CJIP could be rescinded and criminal proceedings could be resumed by the Public Prosecutor, in which case the Group may face further penalties. See also the risk factor entitled "*We may not have the resources to implement or maintain effective internal controls and other standards, which could materially and adversely affect our business.*"

Separately, the Group's principal shareholder, Mr. Franck JULIEN, and certain of the Group's former executives, directors and service providers have been charged with misuse of corporate assets and certain other financial crimes. These allegations were the subject of a trial before the Paris Judicial court in the first quarter of 2024, with a decision expected in the second half of 2024. While the Group is not being charged in these proceedings, and has filed a claim for damages in respect of the harm suffered, negative publicity associated with the Group, its shareholder and former managers and its prior business practices could damage the Group's reputation in the eyes of clients, employees and business partners.

We may not be able to win new contracts, including competitively awarded contracts, and the contracts we win may not yield expected results.

We must constantly win new contracts to sustain growth and such new contracts may be subject to competitive bidding. The decision by an existing or potential customer to outsource building services is dependent upon, among other things, its perception regarding the price and quality of such outsourced services. Certain customers may have an initial bias against outsourcing their support functions.

We may be unable to continue to win competitively awarded and other new contracts. In addition, we may spend significant time and incur costs in order to prepare a bid or proposal, or participate in a bidding process, at the end of which we may not be retained. Even if we are awarded a contract, it may not yield the expected results, in particular if we are unable to successfully calculate prices, control costs and manage day-to-day operations. For example, the timetable or cost structure may differ from prior estimates as both depend on a wide range of parameters, some of which are difficult to forecast, such as increased personnel costs resulting from unfavorable changes in labor and employment laws or regulations, which can lead to execution difficulties and cost overruns that we may not be able to pass on to our customers. Our inability to accurately predict the actual cost of providing our services could result in a decrease in our margins or even losses under these contracts, which would have a material adverse effect on our business, results of operations and financial condition.

We may not be able to hire and retain enough sufficiently qualified technicians to support our operations. In addition, we may encounter problems in recruiting and retaining qualified employees across our business in periods of rapid economic growth.

In some of the market segments in which we operate, such as in security, multi-technical and energy-related services, our success depends upon our ability to attract and retain qualified technicians and any difficulties in retaining them could disrupt our operations. Our growth also requires that we continually hire and train new qualified technicians. A higher turnover rate among qualified technicians will increase our recruiting and training costs and limit the number of experienced personnel available to staff projects adequately. If this were to occur, we may not be able to execute projects effectively and operate those businesses profitably, and we may need to rely more on outsourcing to address a shortage of qualified personnel, which can negatively impact our margins. In addition, in periods of rapid economic growth, we may encounter problems in recruiting and retaining qualified employees across all our businesses or generally experience increasing staff costs in order to recruit and retain such employees, which we may not be able to effectively pass on to our customers, which could have a material adverse effect on our businesses, results of operations and financial condition.

We face intense competition from a variety of competitors and an inability to compete successfully with our competitors could result in a loss in market share, decreased revenue or decreased profitability.

Our business is highly competitive. The facility management sector presents numerous types of players, targeting global scale and/or multi-services breadth. The facility management competitive landscape includes global generalists (mostly former soft facility management specialists); national generalists; global real estate specialists offering facility services, benefitting from their privileged client relationship; multi-service specialists players targeting adjacent services and new countries, providing bundled contracts of FM services (e.g., cleaning and associated services, hospitality, coffee and water fountains, green space management, waste management) services; global pure players leading global single-service specialists; and local pure players focusing on a selected service, mainly to the benefit of local clients. These competitors may have greater resources than us, a broader presence in the market, or a wider geographical scope and therefore a higher capacity to compete for tenders across multiple countries.

With respect to less technically complex services with low barriers to entry, such as traditional cleaning services, we also face competition from smaller competitors operating at local levels, many of whom have a strong local market presence and local customer relationships. In addition to competition from other providers of outsourced building services, we also face competition from in-house providers.

In addition, the outsourced cleaning and security services markets remain highly fragmented despite some degree of consolidation. Over time, our competitors, whether global, national, regional or local, could consolidate their businesses, and the diversified service offerings or increased synergies of these consolidated businesses could increase competition in the cleaning and security sectors. These or other changes to the competitive landscape of our industry could result in a loss of market share, decreased revenue or a decline in profitability, and could thus have a material adverse effect on our business, results of operations, financial condition or prospects.

Accordingly, because of this intense competition, we must make constant efforts to remain competitive and convince potential customers of the quality and cost value of our service offerings. We compete with other industry participants on a variety of factors, including the depth and breadth of our services, our technical expertise and price. Our customers are increasingly focused on their costs for maintenance and operation of their facilities. Pricing is also an important factor for securing renewal of contracts, particularly multi-year contracts. We also need to continue to develop new services or enter new geographic markets in order to maintain or increase our competitive position or achieve our strategic goals. If our customers do not perceive the quality and cost value of our services, or there is not sufficient demand for our new services, our business, results of operations and financial condition could be materially adversely affected.

Finally, our reputation and image is also important to our competitive positioning. For example, if our credit ratings are downgraded, or if our efforts in the area of environmental, social, and governance (ESG) are viewed as insufficient or our image is otherwise affected (whether or not for valid reasons) by events outside of our control, we may have greater difficulty winning tenders, convincing customers to use our services over those of a competitor or obtaining the most competitive terms from our suppliers.

Our international operations may subject us to additional risks.

We operate directly in 19 countries as of the date hereof. Because of the international scope of our activities, we are subject to a number of risks and challenges, many of which are beyond our control. These include the management of our international operations and the complexities associated with complying with the legislative and regulatory requirements, including tax rules and labor and social security legislation, of many different jurisdictions, or the negative effect of movements in foreign exchange rates in respect of our operations in countries that do not use the euro. For example, where local tax rules are complex or their applicability is uncertain, compliance with such rules may lead to unforeseen tax consequences. In addition, structuring decisions and local legal compliance may be more difficult due to conflicting laws and regulations, including those relating to, among other things:

- employment, social security and collective bargaining;
- immigration;
- health and safety;
- environmental protection;
- public procurement;
- competition; and
- enforcement of legal rights..

We are subject to economic risks and uncertainties in the countries in which we operate. Any slowdown in the development of these economies, any deterioration or disruption of the economic environment in the countries in which we operate or any reduction in government or private sector spending may have a material adverse effect on our business, financial condition and results of operations. Furthermore, certain incidents could lead to international tension, causing boycotts or otherwise restrict our ability to perform our services. This may have a material adverse effect on our business, results of operations and financial condition.

We may also be subject to political and social uncertainties in some of the countries in which we are present or plan to extend our operations. The political reforms necessary to achieve political transformations in certain of these countries may not continue. The political systems in these countries may be vulnerable to the public's dissatisfaction with reforms, social unrest and changes in government policies. Any disruption or volatility in the political or social environment in these countries may have an adverse effect on our business, financial condition and results of operations.

As a result of our international operations, we are subject to risks associated with operating in foreign countries, including:

- greater GDP volatility;
- political, social and economic instability, or corruption;

- informal, unregulated trade;
- inability to collect payments or to seek recourse under, or comply with, ambiguous or vague commercial or other laws;
- difficulty in hiring or retaining staff;
- labor unrest;
- war, civil disturbance or acts of terrorism;
- taking of property by nationalization or expropriation without fair compensation;
- inconsistent regulations and unexpected changes in government policies and regulations;
- devaluations and fluctuations in currency exchange rates;
- imposition or increase of withholding and other taxes on remittances and other payments by foreign subsidiaries;
- increased risks associated with inflation;
- restrictions on currency, income, capital or asset repatriation;
- restrictions imposed by local law on our ability to own or operate subsidiaries, receive dividends from subsidiaries, make investments or acquire new businesses in certain jurisdictions; and
- impositions or increases of investment, trade and other restrictions or requirements by foreign governments; and our use of subcontractors in our international operations, which may expose us to risks of non-compliance with group-wide reporting policies and our code of ethics..

We also conduct certain of our business operations through associated companies where we hold less than 100% of the equity. Our co-shareholders may (a) have economic or business interests or goals that are inconsistent with ours, (b) take actions contrary to our policies or objectives, (c) experience financial and other difficulties, or (d) be unable or unwilling to fulfill their obligations under the acquisition agreement and any related agreements, which may affect our financial condition or results of operations. For certain material decisions, we may therefore not be able to influence decision making or may need to obtain the consent of other shareholders. We often retain the local management teams of entities acquired in foreign jurisdictions, and such local management may also have interests adverse to our own, or impede decision making or the implementation of our strategies. Such limitations could constrain our ability to pursue our corporate and economic objectives in the future and have a material adverse effect on our business, results of operations and financial condition.

On February 24, 2022 Russia invaded Ukraine. Due both to these events themselves and the wide range of financial sanctions imposed on Russia, the impact of the crisis in Ukraine on the macroeconomic situation worldwide is highly uncertain. Atalian has no operations in Ukraine. Regarding our Russian and Belarusian operations, we stopped all investment and financing activities for our subsidiaries and no funds are withdrawn from our subsidiaries, leaving them to operate independently. In 2023, net sales from Russian and Belarusian operations represented approximately 1% of the Group's consolidated net sales. Atalian continues to monitor the status of its operations in Russia and Belarusian, as well as the status and actions of its clients in these countries. Depending on their evolution, political positioning or changes in ownership, clients in Russia or Belarus may present reputational or legal risks to the Group, and in some cases the Group has had to end its relationships with certain clients in light of the geopolitical environment. Atalian does not anticipate that the impact of the crisis in Ukraine on its Russian and Belarusian operations or any actions it takes locally in response to such events will have a material adverse impact on the consolidated results of operations of the Group.

Fluctuations in foreign currency exchange rates could have a material adverse effect on our business, results of operations or financial condition.

Our results of operations are, and may further be, subject to currency effects, primarily currency translation risk. The results of our operations or those of our subsidiaries operating outside the Eurozone are translated into euro, our functional and reporting currency, at the applicable exchange rate, for inclusion in our Consolidated Financial Statements. In 2023, approximately 14% of our sales was generated from entities using currencies other than the euro as their functional currency, mainly those located in Central and Eastern Europe. A decline in the value of foreign currencies against the euro can therefore have a negative effect on our net sales and recurring EBITDA as reported in euro. We are exposed to currency risk as a result of our international operations in the countries where euro is not the currency in which we operate, including the Turkish lira. We may also be exposed to currency exchange rate risk in connection with any profits from our international operations that are paid as dividends or otherwise to our holding companies in France. We incur currency transaction risk whenever one of our subsidiaries generates revenue or operating costs in a different currency from the currency in which it operates. Even though our international segment is characterized by relatively low levels of foreign exchange transaction risks, since we generally generate revenue and incur costs in the same currency, fluctuations in foreign exchange rates may still have a material adverse effect on our business, results of operations or financial condition.

We could be harmed if a significant number of customers and, in particular, our largest customers, terminate their services contracts prior to the expiration of their stated terms or decide not to renew their service contracts, or if we can only renew existing contracts on less favorable terms.

Our contracts are generally automatically renewed at the expiration of the stated term unless explicitly terminated by the customer, except for our contracts with our larger customers which often have an initial fixed term renewable for one or more successive shorter terms at the customer's option. Under the terms of certain of our contracts (typically our larger contracts), our customers may terminate a contract at any time at their discretion following the expiration of an agreed notice period. Although we believe that our business is not dependent on any one contract, the termination of a significant number of contracts prior to the expiration of their stated terms, and in particular contracts with our larger customers, or our failure to renew service contracts on favorable terms, or customer dissatisfaction with our services, may have a material adverse effect on our business, results of operations and financial condition, including by harming our reputation and making it more difficult for us to obtain similar contracts with other customers.

The departure of key members of our management team or other key personnel, or our inability to attract and retain qualified management or other key personnel, could have an adverse effect on our business.

Our success is dependent, to a large degree, upon the continued service and skills of our executive management team. If one or more of our executives or other key personnel are unable or unwilling to continue in their present positions or must be replaced for any other reason, we may not be able to replace them easily and our business may be disrupted, which may materially and adversely affect our results of operations and financial condition. Our Executive President (CEO), Frederic Baverez, was appointed on November 6, 2023, succeeding our previous CEO, Maximilien Pellegrini, who had served in that role from May 2, 2023. We have also experienced turnover recently in key positions in our finance, legal and other management functions, and such changes may entail the loss of historical knowledge concerning the Group and its policies, and could temporarily affect our ability to manage our operations and execute on our strategy. See also the risk factor entitled "*We may not have the resources to implement or maintain effective internal controls and other standards, which could materially and adversely affect our business.*"

Competition for management and key personnel is intense, and the pool of qualified candidates is limited, so we may not be able to attract and retain experienced executive or key personnel in the future, which could hinder our ability to run and develop our business successfully. In addition, if any of our executives or other key personnel joins a competitor or forms a competing company, we may lose customers, know-how and other key personnel, which may have a material adverse effect on our business, results of operation and financial condition.

A deterioration of the relationships with our employees or trade unions or a failure to extend, renew or renegotiate on favorable terms our Group-specific collective bargaining agreements could have an adverse impact on our businesses.

As we are continuously restructuring our workforce to achieve productivity gains, maintaining good relationships with our employees, unions and other employee representatives is crucial to our ability to successfully implement such restructurings. As a result, any deterioration of the relationships with our employees, unions and other employee representatives could have an adverse effect on our businesses, results of operations and financial condition.

The majority of our employees are covered by national collective bargaining agreements and company-level agreements specific to the Group. These agreements typically complement applicable statutory provisions in respect of, among other things, the general working conditions of our employees such as working time, holidays, termination, retirement, welfare and incentives. National collective bargaining agreements and group-specific agreements also contain provisions that could affect our ability to restructure our operations and facilities, to terminate employees or to outsource certain services. We may not be able to extend existing group-specific agreements, renew them on their current terms, or, upon the expiration of such agreements, negotiate such agreements in a favorable and timely manner or without work stoppages, strikes or similar industrial actions.

We may also become subject to additional group-specific agreements or amendments to the existing national collective bargaining agreements. For example, the upcoming negotiations on the regrouping of professional branches such as cleaning, security, temporary work, catering could in the long term lead to salary increases and the granting of additional benefits based on the most advantageous collective agreements concerned by this grouping. Additional group-specific agreements or amendments may increase our operating costs and have a material adverse effect on our business, results of operations and financial condition.

In addition, we are required to consult and seek the advice of our employee works councils with respect to a broad range of matters, which could prevent or delay the completion of certain corporate transactions. Consultations with works councils, strikes, similar industrial actions or other disturbances by our workforce, particularly where there are union delegates, could disrupt our operations, result in a loss of reputation, increased wages and benefits or otherwise have a material adverse effect on our business, results of operations and financial condition.

We may not be able to successfully defend against claims made against us by customers or other third parties or

we may fail to recover adequately on our claims against customers or third parties.

We may enter into agreements with third-party partners, equipment suppliers and subcontractors in connection with the provision of services under our customer contracts. Reliance on such third parties reduces our ability to directly control both our workforce and the quality of services provided.

Accordingly, we are exposed to risks relating to managing third parties and the risk that these third parties may fail to meet agreed quality benchmarks under the contract or to generally comply with applicable legislative or regulatory requirements.

As such, claims involving such third parties may be brought against us, and by us. Claims brought against us could include accrued expenses for allegedly defective or incomplete work, breaches of warranty or late completion of the project and claims for canceled projects. The claims and accrued expenses can involve actual damages, as well as contractually agreed upon liquidated sums. These claims, as well as claims we may make against customers or other third parties, if not resolved through negotiation, could result in lengthy and expensive litigation or arbitration proceedings. Expenses associated with claims, or our failure to recover sufficient damages or liquidated sums in connection with claims brought against third parties, could have a material adverse effect on our businesses, financial condition and results of operations.

Furthermore, third-party partners, equipment suppliers and subcontractors may have inadequate insurance coverage or inadequate financial resources to honor claims or judgments resulting from damages or losses inflicted on the customer by such third parties. Any failure of such third parties to meet their obligations could harm our reputation, as well as result in customer losses and financial liabilities, which could have a material adverse effect on our business, results of operations and financial condition.

Our public sector contracts may be affected by political and administrative decisions or budgetary constraints.

The public sector is an important customer segment for us, particularly in France. Our businesses may accordingly be adversely affected by political and administrative decisions concerning levels of public spending, such as decreases in public spending that may occur in connection with the focus on reducing national and local government budget deficits in France and other European countries in recent years. Any future loss of large public sector contracts could have a material adverse effect on our business, results of operations and financial condition.

In certain cases, due to the applicable regulations, such as European Union tender rules, certain terms of public sector contracts, such as pricing terms, contract period, use of subcontractors and ability to transfer receivables under the contracts, are less flexible for us than comparable private sector contracts. Furthermore, certain contracts require specific certifications or approvals from public authorities, and the loss of such certifications or approvals could render us ineligible to bid for certain public sector contracts.

Contracts in the public sector are also subject to review and monitoring by local authorities to ensure compliance with laws and regulations prohibiting anti-competitive practices and we may be found in violation of any such laws or regulations, which would result in fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts. Any such event could have a material adverse impact on our reputation, business, results of operations and financial condition.

We provide services to companies in certain highly regulated industries, and non-compliance with applicable regulations could expose us to fines, penalties and other liabilities as well as other negative consequences.

We provide services to companies in highly regulated industries, including the nuclear, defense, transport and aeronautical industries. We also perform specialized cleaning services in areas such as healthcare and food processing facilities. We and our customers in such industries are subject to highly detailed and restrictive laws and regulations regarding the provision of these services and the operation and safety of facilities in the jurisdictions in which we operate. Complying with the legislative and regulatory frameworks for such highly regulated industries, which are becoming stricter, increasingly requires us to devote more of our technical and financial resources to our compliance efforts. The magnitude of the impact of such changes is difficult to predict. Violations of such requirements could expose us to fines, penalties, claims for personal injury or property damage and other costs or liabilities, as well as negative publicity. In addition, more stringent legal and regulatory requirements could adversely impact the long-term growth of the industries to which we provide our services and the demand for our services from customers operating in these industries, which could have an adverse effect on our business, results of operations and financial condition.

We may be subject to claims or penalties relating to the working conditions of our employees.

Our operations are subject to environmental as well as occupational health and safety laws and regulations. New technology, the implementation of new work processes, services, tools and machinery may have unforeseen negative effects on the working conditions of our employees. Some of the services we undertake in our businesses put our employees and others in close proximity with large pieces of mechanized equipment, moving vehicles and hazardous chemicals. Unsafe worksites also have the potential to increase employee turnover, increase the cost of a service to our customers or the operation of a facility and raise our operating costs. Violations of, or liabilities under, applicable environmental or occupational health and safety laws and regulations could result in fines, penalties, legal claims as well as increased operating costs and reputational damage, which could have a material adverse effect on our business, results of operations and financial condition.

We may not have the resources to implement or maintain effective internal controls and other standards, which could materially and adversely affect our business.

We may be unsuccessful in implementing, maintaining and optimizing effective internal controls that comply with applicable accounting standards, or in maintaining qualified finance and accounting personnel in order to assure the effectiveness our internal control function. In the past, we have experienced certain disruptions and inefficiencies in our accounting and management processes, such as in the processing and treatment of trade payables, trade receivables and intragroup transactions, and through the use of several different accounting systems and policies across our businesses. Difficulties in our internal accounting function and internal controls, and the gradual improvements we have implemented thereto since 2019, resulted in the identification of certain errors in our financial statements requiring corrections pertaining to fiscal year 2021/20 (in connection with corrections made pursuant to International Accounting Standard (IAS) 8 following an internal investigation of our international operations; see Note 2.2 to our financial statements for the year ended December 31, 2021).

If similar or more severe problems arise in the future, or if our internal accounting processes or finance systems are not adequately managed, we may be unable to implement or maintain effective internal controls or comply with our financial reporting obligations under the indenture governing our senior secured notes, which could result in errors and disruptions or other corrections to or restatements of our financial statements, or in a default under the indenture. Furthermore, in connection with the CJIP we entered into in February 2022, we also agreed to submit our compliance program to monitoring by the French Anti-Corruption Agency (AFA) over a period of two years (see the risk factor entitled "*Certain past and on-going investigations of us and our ultimate principal shareholder by French judicial authorities could adversely affect our reputation, results of operations and financial condition.*"). If the AFA determines that we have not satisfactorily implemented the required changes to our compliance program, then the CJIP could be rescinded and criminal proceedings could be resumed by the Public Prosecutor, in which case the Group may face further penalties (although the prior payment of the fine in the public interest would be refunded). The occurrence of any such events could have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks from legal and arbitration proceedings, which could adversely affect our financial results and condition.

From time to time, we are involved in labor, tax and commercial legal and arbitration proceedings, the outcomes of which are difficult to predict. We could become involved in legal and arbitration disputes in the future which may involve substantial claims for damages or other payments. In addition, partly due to the constant restructuring of our workforce, we are involved in a large number of proceedings with employees, typically in respect of severance payments in connection with dismissals and claims of recharacterization of a fixed-term employment contract into an indefinite-term employment contract or of a part-time employment contract into a full-time employment contract, as well as proceedings related to the application of relevant national collective bargaining agreements concerning the automatic transfer of employees. Although individually these proceedings do not typically involve substantial amounts, in the aggregate such proceedings or any increase in the number of such proceedings may have a significant adverse impact. For a description of current legal proceedings, see Note 1.1.2 to our consolidated financial statements for the year ended December 31, 2023.

In the event of a negative outcome of any material legal or arbitration proceeding, whether based on a judgment or a settlement agreement, we could be obligated to make substantial payments, which could have a material adverse effect on our business, financial condition and results of operations. In addition, the costs related to litigation and arbitration proceedings may be significant. Even if there is a positive outcome in such proceedings, we may still have to bear part or all of our advisory and other costs to the extent they are not reimbursable by other litigants, insurance or otherwise, which could have a material adverse effect on our business, results of operations and financial condition.

We may incur liabilities for the actions of our employees.

As with other providers of outsourced building services, our employees provide our services within buildings and at locations owned or operated by our customers. As a result, we may be subject to claims in connection with damage to property, business interruptions, the spread of infections at healthcare facilities, food contamination, violations of environmental and/or occupational health and safety regulations, unauthorized use of the customer's property or willful misconduct or other tortious acts by our employees or people who have gained unauthorized access to premises

through us. Such claims may be substantial and may result in adverse publicity for us. Moreover, such claims may not be covered by our insurance policies. Accordingly, these claims could have a material adverse effect on our businesses, results of operations and financial condition.

In addition, the tender process involves risks associated with fraud, bribery, corruption and fraudulent activity in the procurement process. Although we maintain internal monitoring systems, and we have never been convicted, fined or sanctioned in connection with fraud, bribery or corruption, we may be unable to detect or prevent every instance of fraud, bribery and corruption involving our employees or agents in the future. The involvement or association of our employees or agents with fraud, bribery or corruption, or other violations or allegations or rumors relating thereto, could have a material adverse effect on our businesses, results of operations and financial condition.

We may incur liabilities that are not covered by insurance.

We carry insurance of various types, including property damage insurance, general liability coverage and directors' liability insurance. Given our international operations, the diversity of locations and settings in which our employees provide services and the range of activities our employees engage in, we may not always be able to accurately foresee all activities and situations in order to ensure that they are fully covered by the terms of our insurance policies and as a result, we may not be covered by insurance in specific instances. While we seek to maintain appropriate levels of insurance, not all claims are insurable, and we may experience major incidents of a nature that are not covered by insurance. Furthermore, the occurrence of several events resulting in substantial claims for damages within a calendar year may have a material adverse effect on our insurance premiums. In addition, our insurance costs may increase over time in response to any negative development in our claims history or due to material price increases in the insurance market in general. We may not be able to maintain our current insurance coverage or do so at a reasonable cost, which could have a material adverse effect on our businesses, results of operation and financial condition.

We may incur substantial liabilities for any failure to meet applicable cleanliness, safety or security standards, and experience adverse publicity relating to any actual or alleged failure to meet such standards, which could result in damage to our reputations.

Our businesses are associated with public health and safety, particularly our cleaning services in relation to food preparation and healthcare facilities and our wide-ranging catering services. We may be subject to substantial liabilities if we fail to meet applicable cleanliness or safety standards and that failure causes harm to individuals or entities, including, for example, through contamination of food products produced at the facilities that we clean or the outbreak of illness within the hospitals that we service. In addition, we could be held responsible for any breaches of security by our employees at sensitive customer sites, such as airports and nuclear power stations. Furthermore, our reputations could be harmed by any actual or alleged failure to meet appropriate cleanliness or safety standards. Any publicity relating to incidents of this kind could have a material adverse effect on our reputations and, therefore, our businesses, results of operations and financial condition.

We rely on computer systems to conduct our business. Our computer systems may fail to perform their functions adequately or be interrupted, which could potentially harm our business.

We rely on numerous computer systems that allow us to track and bill our services, communicate with customers, manage our employees and gather information upon which management makes decisions regarding our business. The administration of our businesses is increasingly dependent on the use of these systems. As a result, system failures or disruptions resulting from computer viruses, hackers or other causes could have a material adverse effect on our businesses, results of operations and financial condition.

We may face tax risks.

We have structured our commercial and financial activities in light of diverse regulatory requirements and our commercial and financial objectives. These structures therefore create value from the synergies and the commercial power vested in a multinational group. Given that tax laws and regulations in the various jurisdictions in which we operate may not provide clear-cut or definitive doctrines, the tax regime applied to our operations and intra-group transactions or reorganizations is sometimes based on our interpretations of French or foreign tax laws and regulations. We cannot guarantee that such interpretations will not be questioned by the relevant tax authorities, which may adversely affect our financial condition or results of operations. More generally, any failure to comply with the tax laws or regulations of the countries in which we operate may result in reassessments, late payment interest, fines and penalties. Furthermore, we may record deferred tax assets on our balance sheet, reflecting future tax savings resulting from discrepancies between the tax and accounting valuation of the assets and liabilities or in respect of tax loss carryforwards from our entities. The actual realization of these assets in future years depends on tax laws and regulations, the outcome of potential tax audits, and on the expected future results of the relevant entities. In particular, under currently applicable rules in France, tax losses carried forward can only offset €1 million of taxable income plus 50% of the current-year taxable income that exceeds that amount. As of December 31, 2023, our net deferred tax assets totaled approximately €33.6 million, mainly related to tax loss carryforwards of the Atalian Propreté tax group. Any reduction in the ability to use these assets due to changes in laws and regulations, potential tax reassessments, changes to the corporate structure of the Group, or lower than expected results could have a material adverse impact on our results of business operations and financial condition.

We may face risks with respect to any divestments we undertake.

In February 2023, we refocused our activities by selling our subsidiaries in the United Kingdom, Ireland and Asia (including Aktrion) to CD&R. Further, in October 2023 we sold our facility services assets in the United States to GDI Integrated Facilities Services Inc. See Note 1.1 to our consolidated financial statements for the year ended December 31, 2022 and Note 1.1 to our consolidated financial statements for the year ended December 31, 2023. These disposals have allowed us to concentrate on Continental Europe and strengthen our core business.

Among the risks associated with such divestments, which could have a material adverse effect on our business, results of operations and financial conditions, are the following:

- divestment could result in contractual responsibilities pursuant to the terms of the sale agreement;
- divestments could result in the inability to participate in any tenders to enter into global contracts covering territories of the divested business;
- divestments could result in losses and/or lower margins;
- divestments could result in write-down of goodwill and other intangible assets;
- divestments could result in the loss of qualified personnel; and
- we may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties.

Any of these risks could have a material adverse effect on our results of operations and future growth prospects.

We have recorded a significant amount of goodwill and we may never realize the full value thereof.

We have recorded a significant amount of goodwill in relation to our acquisitions. Total goodwill, which represents the excess of cost over the fair value of the net assets of businesses or shares acquired, was approximately €524 million as of December 31, 2023, or 32% of our total assets.

Goodwill is recorded on the date of acquisition and is tested for impairment annually and whenever there is any indication of impairment. Impairment may result from, among other things, deterioration in our performance, a decline in expected future cash flows, adverse market conditions, adverse changes in applicable laws and regulations (including changes that restrict our activities or affect the services we provide) and a variety of other factors. The amount of any impairment must be expensed immediately as a charge to our income statement. Any further significant impairment of goodwill in the future may result in a material reduction in our income and equity and could have a material adverse effect on our business, results of operations and financial condition.

Our entering into derivative financial instruments may expose us to unexpected risk and potential losses.

From time to time, we may be party to certain derivative financial instruments, such as interest rate swap contracts, with financial institutions to hedge against certain financial risks. Changes in the fair value of these derivative financial instruments, that are not cash flow hedges, are reported in profit and loss, and accordingly could materially affect our reported results in any period. See Notes 2.4.5 and 10 to our consolidated financial statements for the year ended December 31, 2023. Moreover, we may be exposed to the risk that our counterparty in a derivative transaction may be unable to perform its obligations as a result of being placed in bankruptcy, liquidation, receivership or otherwise. In the event that a counterparty to a material derivative transaction is unable to perform its obligations thereunder, we may experience losses that could have a material adverse effect on our business, results of operations and financial condition.

The interests of our ultimate principal shareholder may be inconsistent with the interests of the noteholders.

Currently, we are indirectly majority-owned by Mr. Franck JULIEN. As a result, Mr. Franck JULIEN is able to control matters requiring shareholder approval, including, subject to the terms of the indenture governing our senior secured notes, the election and removal of our directors, our corporate and management policies, potential mergers or acquisitions, payment of dividends, asset sales and other significant corporate transactions. The interests of Mr. Franck JULIEN could conflict with the interests of our noteholders, particularly if we encounter financial difficulties or are unable to pay our debts when due. For example, Mr. Franck JULIEN could, indirectly through AHDS's ability to elect and remove our directors, take actions that may result in a change in the Group's strategy, although any actions taken by management would be subject to the terms of the indenture. Furthermore, Mr. Franck JULIEN may sell all or any part of his shareholding at any time or look to reduce his holding by means of a sale to a strategic investor, an equity offering or otherwise, and such divestitures may not trigger a change of control under

the indenture. In addition, the Group is party to a number of transactions with its shareholder and its affiliates, including with Citi One, which provides certain services to the Group in it is hospitality activities and which is controlled by a family member of Franck JULIEN (for more information on such related-party transactions, see Note 2.4.6. The Group also entered into a vendor loan with the AHDS as part of the consideration paid for the supporting shareholder contribution in the context of the exchange offer and the issuance of our senior secured notes. While the Group considers that such related-party transactions have been negotiated on arm's-length terms and are in the interest of all its stakeholders, the Group cannot exclude that other related-party transactions entered into in the future (and subject to the terms of the indenture) may be inconsistent with the interests of our noteholders.

Our leverage and debt servicing obligations could materially adversely affect our business and prevent us from fulfilling our obligations with respect to our senior secured notes.

We cannot guarantee that we will be able to generate enough cash flow from operations to service our debt obligations. The degree to which we will continue to be leveraged could have important consequences to our noteholders, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to our senior secured notes and our other debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thus reducing the availability of our cash flow to fund internal growth through working capital and capital expenditures and for other general corporate purposes;
- increasing our vulnerability to a downturn in our business or economic or industry conditions;
- placing us at a competitive disadvantage compared to our competitors that have less debt in relation to cash flow;
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry;
- negatively impacting credit terms with our creditors;
- restricting us from exploiting certain business opportunities; and
- limiting our ability to borrow additional funds or raise equity capital in the future and increasing the costs of such additional financings.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our debt obligations, including our senior secured notes. Our ability to make payments on and refinance our indebtedness and to fund working capital expenditures and other expenses will depend on our future operating performance and ability to generate cash from operations. Our ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative and regulatory factors and other factors that are beyond our control. We may not be able to generate sufficient cash flow from operations nor obtain enough capital to service our debt or fund our planned capital expenditures.

Despite our substantial leverage, we may incur more debt, which could adversely affect our business and prevent us from fulfilling our obligations with respect to our senior secured notes.

Under the terms of the indenture governing our senior secured notes, we will be permitted to incur certain additional indebtedness and other obligations. Additional significant leverage could limit our ability to obtain additional financing for working capital, capital expenditures, stock repurchases, acquisitions, debt service requirements or other purposes. It may also increase our vulnerability to adverse economic, market and industry conditions, limit our flexibility in planning for, or reacting to, changes in our business operations or to our industry overall, and place us at a disadvantage in relation to our competitors that have lower debt levels. Any or all of the above events and/or factors could have an adverse effect on our results of operations and financial condition. If we incur new debt in addition to our current debt, the related risks that we now face, even in a refinancing transaction, as described above and elsewhere in this "*Risk Factors*" section, could intensify.

We are subject to restrictive debt covenants that may limit our ability to finance future operations and capital needs and to pursue business opportunities and activities.

The indenture governing our senior secured notes restricts, *inter alia*, our ability to:

(1) incur or guarantee additional indebtedness;
(2) pay dividends, redeem capital stock and make certain investments;
(3) make certain other restricted payments;
(4) create or permit to exist certain liens;
(5) impose restrictions on the ability of our subsidiaries to pay dividends or make other payments to us;
(6) make acquisitions;
(7) transfer or sell assets;
(8) impair the security interests for the benefit of the Noteholders;
(9) consolidate, merge or sell all or substantially all of our assets; and
(10) enter into certain transactions with affiliates.

All of these limitations are subject to significant exceptions and qualifications. Despite the exceptions and qualifications, these covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest. In addition, certain specific limitations in the indenture affect to our ability to make acquisitions unless certain conditions are met.

Moreover, our ability to comply with these covenants and restrictions may be affected by events beyond our control. These include prevailing economic, financial and industry conditions. If we breach any of these covenants or restrictions, we could be in default under the indenture. If the debt under our senior secured notes or certain other material financing arrangements that we enter into were to be accelerated, our assets may be insufficient to repay in full the senior secured notes and our other debt. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand. In these circumstances, our assets may not be sufficient to repay in full that indebtedness and our other indebtedness then outstanding, including the senior secured notes. In addition, if we are unable to repay those amounts, our creditors could proceed against any collateral granted to them to secure repayment of those amounts.

We will require a significant amount of cash to service our debt and sustain our operations. Our ability to generate or raise sufficient cash depends on many factors beyond our control.

Our ability to make principal or interest payments when due on our indebtedness, including our obligations under our senior secured notes, and to fund our ongoing operations, will depend on our future performance and ability to generate cash, which is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors, many of which are beyond our control.

If we are unable to generate sufficient cash flows from operations and other capital resources to pay our debt obligations or meet other liquidity needs, we may be required to refinance or restructure our indebtedness. If we are unable to refinance or restructure all or a portion of our indebtedness or obtain such refinancing or restructuring on terms acceptable to us, we may be forced to, among others:

- reduce or delay our business activities, planned acquisitions and capital expenditures;
- sell assets;
- raise additional debt or equity financing; or
- restructure or refinance all or a portion of our debt, including our senior secured notes, on or before maturity.

If any of the above were to occur, the holders of our debt may be able to accelerate our debt and, to the extent such debt is secured, foreclose on our assets. The type, timing and terms of any future financing, restructuring, asset sales or other capital raising transactions will depend on our cash needs and the prevailing conditions in the financial markets. We cannot assure you that we will be able to accomplish any of these measures in a timely manner or on commercially reasonable terms, if at all. In such an event, we may not have sufficient cash or sources of cash to repay all of our debt. In addition, the terms of the indenture governing our senior secured notes may limit our ability to pursue any of these measures. Furthermore, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could impact our ability to incur additional indebtedness.

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20,000 m² of surfaces cleaned daily
15,000 visitors per day
72 dedicated Atalian employees

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LA FINANCIÈRE ATALIAN

INVESTORS REPORT

TWELVE MONTHS ENDED AS AT 31 DECEMBER, 2023

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis summarize the significant factors affecting our results of operations and financial condition during the fiscal year ended December 31, 2023. The historical information discussed below for the Group is as of and for the fiscal year ended December 31, 2023, 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 January 1, 2023, to December 31, 2023, 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 facility management services in Europe. Founded 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 outsources building services. With a headcount of approximately 65,600 FTE employees as of the date hereof, we are an important provider of various types of outsourced building and occupant services in each of the countries in which we operate.

As of December 31, 2023, we are active in 19 countries. We are able to support the largest international groups in a variety of industries. We are one of the few companies in the facility management sector that can provide services covering the entire facility management spectrum, including cleaning and associated services, security, maintenance and energy and hospitality.

We independently perform around 85% of the services entrusted to us, while delegating the fulfillment of remaining services to trusted partners whom we select based on service quality.

We operate in thousands of production, office, medical, mobility, living and leisure spaces, ensuring that they are healthier, safer, more comfortable and functional. By providing single service, multi-service and fully integrated facility management solutions, we enable our customers to focus on their core business and improve their economic, social and environmental performance. In particular, we support companies as they face modern challenges, such as the need to outsource and reorganize services, update their work methods and processes, improve energy performance of buildings and focus on the well-being of occupants. To achieve this, we work to continuously develop our service offerings by diversifying our services, innovating and digitizing our processes and co-designing customized solutions with our clients in order to improve their value chain while also contributing to their ESG targets. We believe that the breadth of our service offering, together with our geographic footprint, provide us with a solid foundation for our long-term strategy of remaining a leading pan-European provider of outsourced facility management services.

In recent years, we have refocused our strategy on our core businesses and introduced a divestment program for our non-core activities. In line with this strategy, on December 16, 2022, we entered into a sale and purchase agreement with CD&R for the sale of our subsidiaries in the United Kingdom, Ireland and Asia (including Aktrion) to CD&R which closed on February 28, 2023. Among other strategic divestments and disposals, we also closed the sale of certain of our operations in Africa (Morocco, Senegal and the Ivory Coast) to AHDS Management (an affiliate of AHDS) and our facility services assets in the United States to GDI as of December 23, 2022 and October 31, 2023, respectively. These disposals have allowed us to concentrate on the European market and strengthen our core businesses.

Lastly, at the end of 2023, the Group announced that it started discussions with a group of bond holders to refinance its bond debt. On March 28th, 2024, the Group finalized its refinancing. This transaction enables Atalian to reduce the nominal value of its long-term debt by €400 million, extend the maturity by 4.5 years to June 2028 and significantly reduce its annual cash interest expense.

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 items: depreciation, amortization and impairment of operating assets, plus restructuring, litigation, implementation and other non-recurring costs.

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 profit for the period determined in accordance with IFRS, cash flows generated by operating activities determined in accordance with IFRS or any other measure prescribed by IFRS. We believe that the inclusion of 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 isolated or as a substitute for analysis of our results of operations. 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.

Amendment to accounting policies

As effective starting January 1, 2023, the Group does not capitalize anymore the costs of the uniforms purchased. In 2022, Uniforms were still capitalized however in anticipation of the new methodology, this decision led to an accelerated amortization of the residual net book value of uniforms capitalized as at December 31, 2022, for a total amount of €(4.1) million (see Note 5.3 property, Plant and Equipment to the Consolidated Financial Statements).

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

As indicated in Note 1.1.1 to the Consolidated Financial Statements, on December 16, 2022, 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. 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 operations through a joint share disposal agreement, the transaction 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 of 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 are presented separately on the face of the cash flow statement.

The closing of the transaction took place on February 28, 2023.

Subsequent to the disposal, the Group maintained 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, and terminated in March 2024.

Disposal of US operations

As indicated in Note 1.1.4 to the Consolidated Financial Statements, U.S. Asset deal, the Company finalized the transaction with GDI Integrated Facility Services Inc. ("GDI") to take over Atalian's facility services assets (customer contracts, employees, equipment and leases, etc.) located in the United States, effectively October 31, 2023. Consequently, following to Atalian's engagement to dispose the U.S. business through an asset deal, 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 of December 31, 2023:

- 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 are 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 have been re-presented to disclose the discontinued operations separately from continuing operations. €(107) million have been reclassified from Net income from continuing operations to Net income from discontinued operations.

Summary of the restatements

Summary of restatements is detailed in the Note 2.3.1 to the Consolidated Financial Statements and can be summarized as follows:

Accounting for Factoring

In application of the IAS 8 standard, the Company has corrected the financial statements reported for the financial year ended December 31, 2022.

These corrections are the result of errors detected during the review and analysis of Standard Operating Procedure Factoring.

The adjustments/restatements having main impacts in France, where the Cash and Cash Equivalent are overstated and account receivables and financial debt are understated, concern the following items:

1- Classification of funds collected on behalf of the Factor

Although receivables are sold to the Factor, Atalian keeps on collecting receivables on behalf of the Factor.

The collections are channeled through dedicated, pledged or swept bank accounts in favor of Factor. The sweep mechanism generally takes 1 Business Day before re-directing the proceeds automatically to the Factor. Atalian used to recognize in-coming collection proceeds standing on these dedicated bank accounts as its own Cash and Cash Equivalent although the beneficiary of the cash in bank should be the Factor.

The amount is generally the collection of last business day of the month before redirecting the proceed to the Factor.

2- Classification of the factoring “current account”

At least once a month, Atalian affiliates sell their Account Receivables balances to the Factor. Those sales are qualified as a “true sale” under IFRS.

However, the Factor is entitled to reject some invoices not meeting the agreement criteria.

These “rejected” invoices are deducted from the next Account Receivables sale and are temporarily kept in the “Current account” by the Factor as shown in the Factor Statement.

The “Current account” used to be classified as Cash & Cash equivalent in Atalian’s balance sheet.

3- Invoices non-guaranteed by the credit insurance

In the Factoring program, the insurer provides the credit insurance (up to certain limits) to the Factor and the credit decisions are based on Atalian’s customers creditworthiness.

The Factor may generally accept to fund non-guaranteed invoices but is entitled to automatically ask refunding after 60 days of overdue. Therefore, Atalian bears the late payment and customer’s default risks. These non-guaranteed invoices are not eligible to derecognition under IFRS.

The adjustments/restatements required to the Consolidated Financial Statements reported for the financial year ended December 31, 2022, are:

- Decrease of Cash and Cash Equivalent for €25.9 million.
- Increase of Financial Debt – factoring of €26.9 million (see note 9.4 to the Consolidated Financial Statements)
- Increase of Account Receivables (including Account Receivables – factor) for €55.4 million.
- Decrease of Security deposit – factor by €2.6 million.

Aggregate definition

Eventually, in 2023 the Group decided to replace the aggregate “Operating income before depreciation, amortization, provision and impairment loss” on the face of the Income statement by “Operating income before depreciation, amortization and impairment loss”.

Provisions related to current operation such as bad debts, inventory provision, other operating provisions and retirement benefits provisions have been reintegrated in the new aggregate starting December 31, 2023.

Application of this new definition to the 2022 financial results would result in an Operating income before depreciation, amortization and impairment loss of €111.6 million versus an Operating income before depreciation, amortization, provision and impairment loss of €114.5 million.

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 Maintenance & Energy and Security) entitled Facility Management. In 2023, our France segment generated €1,429 million, or 71% of the group’s Net Sales.
- **International:** This segment comprises all companies outside France, which definition changed as compared to previous year due to the application of IFRS 5. In 2023, we operated in 18 countries outside of France, mainly in Central and Eastern Europe and Benelux, providing cleaning, multi-technical, security and bundled facility management services. In 2023, our International segment generated €580 million, or 29% of the group’s Net Sales.

Lastly, in our Consolidated Financial Statements, we present in our segment information an additional item labelled “**Other**” “ which (i) includes central functions at the holding level and (ii) reflects the elimination of intragroup transactions between reporting segments in consolidation. In 2023, as part of the new strategic plan and to better reflect the performance of each segment, the Group has decided to re-allocate dedicated holding cost to each relevant segment versus at Group level as previously reported. As a result, after dedicated holding costs re-allocation, Net Sales and Recurring EBITDA are as follows:

in millions of euros		FY 2022	FY 2023
NET SALES		1,923.8	2,003.0
of which:	France	1,391.9	1,429.4
	International	536.0	580.1
	Other	(4.0)	(6.4)
RECURRING EBITDA		114.5	96.5
of which:	France	108.9	83.8
	International	25.9	32.3
	Other	(20.2)	(19.6)

Following the disposal of its activities in the UK, Ireland, Asia and Aktrion, the sale of its US assets and the adaptation of its structure as part of its performance plan, the Group is currently re-assessing the definition of its segments.

3. RESULTS OF OPERATIONS FOR 2023 COMPARED TO 2022

in millions of euros	Full Year 2023	2022 IFRS 5
NET SALES	2,003.0	1,923.8
Raw materials & consumables used	(450.2)	(399.8)
External expenses	(73.3)	(77.9)
Staff costs	(1,355.9)	(1,310.1)
Taxes (other than on income)	(28.5)	(28.1)
Other recurring operating income	18.3	13.9
Other recurring operating expenses	(17.0)	(7.2)
RECURRING EBITDA	96.5	114.5
Depreciation and amortization, net	(56.7)	(64.4)
Provisions and impairment losses, net	(2.5)	0.6
Other income & expenses	(39.2)	(12.5)
OPERATING PROFIT (LOSS)	(1.9)	38.2
Financial debt cost	*(89.8)*	*(80.9)*
Income from cash and cash equivalents	*18.4*	*0.5*
Net financial debt cost	*(71.4)*	*(80.4)*
Other net financial income and expenses	*0.4*	*(9.9)*
Net financial expenses	(71.0)	(90.3)
Income tax expense	(29.4)	(26.7)
NET INCOME / (LOSS) FROM CONTINUING OPERATIONS	(102.2)	(78.7)
Net income / (loss) from discontinued operations	142.1	(90.1)
INCOME / (LOSS) FOR THE PERIOD	39.9	(168.8)
Attributable to owners of the company	40.5	(172.1)
Attributable to non-controlling shareholders	(0.6)	3.2

Net Sales

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

in millions of euros	Full Year 2023	2022 IFRS5
France	1,429.4	1,391.9
International	580.1	536.0
Other	(6.4)	(4.0)
TOTAL NET SALES	2,003.0	1,923.8

In 2023, consolidated Net Sales amount to €2,003 million, up 4.1%. After forex impact (-2.3%, mainly due to the variation of the lira in Türkiye) and scope impacts (-1.8% mainly due to the sale of activities in Africa), net sale increase by 8.3% on a comparable basis.

This growth reflects growth of operations driven by indexation and contract wins, notably in Central & Eastern Europe. Central & Eastern Europe net sales also benefited from higher sales in Türkiye, driven by positive commercial dynamics in an environment of hyperinflation.

By segment:

France and iFM. In 2023, Net Sales increase by +2.7%, to €1,429 million, as compared to €1,392 million in 2022, mainly driven by cleaning operations and iFM operations. Indexation and benefits from new contracts gained end of 2022 and early 2023 have been partly offset by Covid-19 related special works in 2022 not reconducted in 2023 and loss of a major security contract with ADP (Paris airport).

International. In 2023, Net Sales increase by +8.2%, to €580 million. When excluding the negative effects of perimeter changes (mainly Africa) and foreign exchange rates impact (mainly due to the depreciation of the Turkish lira versus the euro), Net Sales on a comparable basis increase by +23.2%. This strong increase reflects the growth of operations notably in Central & Eastern Europe, where specific actions and management changes in some countries have been implemented to re-boost organic growth and to secure appropriate passthrough to clients in all geographies. Central & Eastern Europe net sales also benefited from higher sales in Türkiye, driven by positive commercial dynamics in an environment of hyperinflation.

Recurring EBITDA

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

in millions of euros	Full Year 2023	2022 IFRS 5
France	83.8	108.9
International	32.3	25.9
Other	(19.6)	(20.2)
RECURRING EBITDA	96.5	114.5

FY 2023 Recurring EBITDA decreased by 15.8% or -12.3% on a comparable basis. Recurring EBITDA margin is down 114 bps to 4.8%, but up 64 bps to 5.1% in Q4 2023 compared to Q4 2022 mainly reflecting the constant improvement throughout the year.

While productivity measures, indexation plan and commercial measures are all underway, Recurring EBITDA was negatively impacted by lower contribution of Covid-19 related special works notably in the first half of 2023, and by the lag effect of the full impact of indexation measures. In addition, FY 2022 EBITDA benefited of non-recurring balance sheet impacts and P&L positive reclassification.

France and iFM. In 2023, Recurring EBITDA decreases by €25 million, or -23.0%, to €84 million. When excluding the benefit of Covid-19 related special works in 2022 for €8.4 million, Recurring EBITDA is down 16.5% year-on-year. Recurring EBITDA margin reaches 5.9%, down 196 basis points compared to 2022. Indexation plans and productivity measures were more than offset by 2022 non-recurring balance sheet and P&L positive reclassification, the non-recurring benefit of Covid-19 related special works of 2022, and the inflation.

International. In 2023, Recurring EBITDA increases by €6 million, or +23.7%, to €32 million. On a comparable basis, it was up 38.7%. Recurring EBITDA margin is up 70 basis points to 5.6%. This improvement mainly reflects account wins and productivity measures in Central and Eastern Europe, partly offset by impact of inflation and low profitability of new contracts in the Netherlands.

Other. "Other", which includes Holding costs which improved by €0.6 million from €(20.2) million in 2022 to €(19.6) million in 2023.

Operating profit

Operating profit decreased to €(1.9) million in 2023 from €38.2 million in 2022. This decrease mainly reflects the impact of lower Recurring EBITDA notably in the first half of 2023, and more significantly of non-recurring items.

Operating profit excluding non-recurring items amounted to €40.9 million, compared to €50.7 million in 2022. The decrease is mainly explained by the EBITDA decrease.

Non-recurring items accounted for in 2023 amounted to €43 million, including €12 million restructuring costs, €10 million relating to the refocusing of the Group's operations, €4 million refinancing costs, €9 million of provision for sick-leave due to change in the French regulation, €3 million impairment and €5 million of miscellaneous non-recurring items.

Net income (loss) for the period

Net profit for the period is positive to €39.9million in 2023 as it includes capital gain from the sale of operations in the UK, Ireland and Asia in the discontinued operation line. 2022 includes losses from the US (including goodwill impairment) accounted for as discontinued operations.

4. LIQUIDITY AND CAPITAL RESOURCES

In compliance with IAS 8 in order to disclose the consolidated statement of financial position comparative for the year ended December 31, 2023, the consolidated statement of financial position for the year ended December 31, 2022 has been restated to reflect corrections pertaining to factoring (see Note 2.3 "Restatement of financial statements previously reported" to the Consolidated Financial Statements).

Cash flows

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

in millions of euros	Full Year 2023	Full Year 2022
Net cash from (used in) operating activities	43.5	83.4
o/w net operating cash from discontinued operations	*(20.9)*	*32.9*
Net cash from (used in) investing activities	653.1	(79.3)
o/w net cash used in investing activities from discontinued operations	*671.7*	*(46.2)*
Net cash from (used in) financing activities	(214.7)	(48.3)
o/w net cash used in financing activities from discontinued operations	*(163.0)*	*19.7*
Exchange gains (losses) on cash and cash equivalents	(1.9)	(11.3)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	480.0	(55.5)

Net cash from (used in) operating activities

in millions of euros	Full Year 2023	Full Year 2022
Net income / (loss) from continuing operations	(102.2)	(78.7)
Net income / (loss) from discontinued operations	142.1	(90.1)
Adjustment for and elimination of non-cash items	(86.3)	150.8
Elimination of net financing costs	72.0	86.3
Elimination of income tax expense	28.9	33.0
Elimination of net other financial expenses	(0.6)	7.1
CASH GENERATED FROM OPERATIONS BEFORE FINANCIAL EXPENSES AND INCOME TAX	53.9	108.4
Change in working capital	6.9	(4.9)
Income tax paid	(14.1)	(16.7)
Change in factoring deposit	(3.2)	(3.4)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	43.5	83.4

We experienced a cash inflow of €43.5 million in 2023 as compared to an inflow of €83.4 million in 2022.

Net cash used in investing activities

in millions of euros	Full Year 2023	Full Year 2022
Purchase of fixed assets	(20.4)	(51.6)
Proceeds from sales of fixed assets	0.6	6.8
Purchase of consolidated companies (net of cash acquired)	-	(32.3)
Sales of consolidated companies (net of cash sold)	668.3	(1.0)
Other cash flows from investing activities	4.6	(1.1)
NET CASH FROM (USED IN) INVESTING ACTIVITIES	653.1	(79.3)

Investing activities provided €653.1 million in net cash in 2023, notably after the disposal of activities in the UK, Ireland and Asia, and including Aktrion, and in the asset sale in the US. This compared with Net cash used in investing activities of €79.3 million in 2022.

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	Full Year 2023	Full Year 2022
Increase in borrowings	6.7	140.2
Decrease in borrowings	(152.2)	(111.0)
Net financial interests paid	(70.8)	(81.8)
Dividends paid during the year	(2.7)	(1.2)
Operations in share capital	-	-
Other	4.2	5.5
NET CASH FROM (USED IN) FINANCING ACTIVITIES	(214.7)	(48.3)

Net cash used in financing activities amounted to €214.7 million in 2023, primarily due to the repayment of borrowings of €152.2 million including the RCF for €103 million.

Net Financial Debt Evolution

in millions of euros	As of December 31, 2023	As of December 31, 2022
NET CASH AND CASH EQUIVALENTS	561.1	55.1
Non-current financial liabilities	(665.6)	(1,282.0)
Current portion of financial liabilities	(686.0)	(168.3)
Financial instrument (liability)	(0.6)	(1.5)
FINANCIAL DEBT	(1,352.2)	(1,451.8)
NET FINANCIAL CASH (DEBT)	(791.1)	(1,396.7)

As of December 31, 2023, Net Financial Debt was €791 million as compared to €1,396.7 million as of December 31, 2022. The amount paid by CD&R was circa €753 million, including a cash payment of approximately €698 million and a payment in a 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.

5. OUTLOOK

2024 is expected to be a year of stabilization and consolidation for all the action plans initiated in 2023. The Group confirms initial targets, i.e.:
- Stable to slight revenue growth
- Recurring EBITDA of approximately €100 million
- CFFO in the range of €20-30 million.

This "Outlook" section contains forward-looking statements concerning the Group's intentions, estimates or current expectations. These statements reflect the Group's current views 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 beyond the Group's control, including those described in the "Risk Factors" section of the Annual Report.

LA FINANCIÈRE ATALIAN

AUDITOR'S REPORT

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 the decisions of the shareholders, we have audited the accompanying consolidated financial statements of La Financière Atalian for the year ended December 31, 2023.
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, 2023 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, 2023 to the date of our report.

EMPHASIS OF MATTERS

We draw your attention to:

- Note "1.1.2 Litigations" to the consolidated financial statements which sets out the Anticorruption French Agency (AFA)'s compliance monitoring which the Group is subject to;
- Note "2.3 Restatement of financial statements previously reported" to the consolidated financial statements which sets out the restatements associated with the accounting related to the factoring program of trades receivables.

Our opinion is not modified in respect of these matters.

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 Group 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 for implementing 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 Group 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 Group.

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 11, 2024

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, 2023)

CONSOLIDATED INCOME STATEMENT

in millions of euros	Note	December 31, 2023	December 31, 2022 IFRS5*
NET SALES	3	2,003.0	1,923.8
Raw materials & consumables used		(450.2)	(399.8)
External expenses		(73.3)	(77.9)
Staff costs	4	(1,355.9)	(1,310.1)
Taxes (other than on income)		(28.5)	(28.1)
Other operating income		18.3	13.9
Other operating expenses		(17.0)	(7.2)
OPERATING INCOME BEFORE DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSS	3 / 4	96.5	114.5
Depreciation and amortization, net	4	(56.7)	(64.4)
Impairment loss, net		(2.5)	0.6
Other income and expenses	4	(39.2)	(12.5)
OPERATING PROFIT (LOSS)		(1.9)	38.2
Financial debt cost	12.1	(89.8)	(80.9)
Income from cash and cash equivalents	12.1	18.4	0.5
NET FINANCIAL DEBT COST	12.1	(71.4)	(80.4)
Other net financial income and expenses	12.2	0.4	(9.9)
NET FINANCIAL EXPENSES	12	(71.0)	(90.3)
Income tax expenses	14	(29.4)	(26.7)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		(102.2)	(78.7)
Net income (loss) from discontinued operations	2.2.1	142.1	(90.1)
NET INCOME FOR THE PERIOD		39.9	(168.8)
Attributable to owners of the company		40.5	(172.1)
Attributable to non-controlling interests		(0.6)	3.2

** In compliance with IFRS 5 in order to disclose the consolidated income statement comparative for the year ended as of December 31, 2023, the consolidated income statement for the year ended as of December 31, 2022 has been re-presented 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, 2023	December 31, 2022
NET INCOME (LOSS) FOR THE PERIOD	39.9	(168.8)
OUT OF WHICH NET INCOME (LOSS) FROM DISCONTINUED OPERATION	142.1	16.9
OTHER ITEMS OF COMPREHENSIVE INCOME SUBSEQUENTLY RELEASED TO NET INCOME	(2.7)	(5.6)
Foreign exchange gains & losses	(2.7)	(5.6)
OTHER ITEMS OF COMPREHENSIVE INCOME NOT SUBSEQUENTLY RELEASED TO NET INCOME	(6.5)	(0.1)
Hedging accounting reserves	(1.5)	-
Actuarial gains & losses on pension obligations	(5.0)	(0.1)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	(9.3)	(5.7)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	30.6	(174.5)
ATTRIBUTABLE TO OWNERS OF THE COMPANY	31.6	(177.7)
ATTRIBUTABLE TO NON-CONTROLLING INTEREST PARTIES	(0.9)	3.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS in millions of euros	Note	December 31, 2023	December 31, 2022 Restated
Goodwill	5.1	523.5	523.2
Intangible assets	5.2 -13	14.8	10.7
Property, plant and equipment	5.3 -13	25.4	36.0
Right of Use	5.3 -13	78.6	92.8
Other non-current financial assets	5.5	74.8	18.1
Deferred tax assets	5.6	36.8	59.3
NON-CURRENT ASSETS		753.9	740.1
Inventories	6.1	4.5	4.2
Advanced payments to suppliers	6.2	2.2	6.4
Trade receivables	6.3	225.4	273.7
Other current assets	6.3	104.5	88.1
Current tax assets		4.1	4.2
Cash and cash equivalent	6.5	561.8	65.2
CURRENT ASSETS		902.4	441.8
Assets held for sales and discontinued operations	2.2.2	1.3	821.7
TOTAL ASSETS		1,657.7	2,003.6

EQUITY AND LIABILITIES in millions of euros	Note	December 31, 2023	December 31, 2022 Restated
Equity			
- Capital	7.1	114.6	114.6
- Share premium		22.7	22.7
- Retained earnings		(545.4)	(372.2)
- Other Comprehensive Income	7.2	(17.1)	(9.8)
- Net income for the period		40.5	(172.1)
Equity attributable to the owners of the company		(384.8)	(416.8)
Non-controlling interests		15.9	25.7
TOTAL EQUITY		(368.8)	(391.1)
Provision for pension	8.1	29.9	23.9
Other non-current provisions	8.1	7.3	10.4
Non-current financial liabilities	9.1-10	665.6	1,282.0
Deferred tax liabilities	5.6	3.2	5.6
NON-CURRENT LIABILITIES		705.9	1,321.9
Prepayments from customers	11.1	1.7	13.8
Trade payables	11.1	180.0	209.7
Provisions	8.2	41.0	26.1
Other current liabilities	11.1	406.1	390.8
Current tax liabilities	11.1	4.0	5.7
Current portion of financial liabilities	9.1-10	686.0	168.3
Financial instruments	9.1-10	0.6	1.5
Short-term debt	10-11.2	0.7	10.1
CURRENT LIABILITIES		1,320.1	826.1
Liabilities related to assets held for sales and discontinued operations	2.2	0.4	246.7
TOTAL EQUITY AND LIABILITIES		1,657.7	2,003.6

In compliance with IAS8, the consolidated statement of financial position for the year ended as of December 31, 2022 has been restated to reflect corrections pertaining to factoring (see Note 2.3 Restatement of financial statements previously reported).

CONSOLIDATED CASH FLOW STATEMENT

in millions of euros		December 31, 2023	December 31, 2022 IFRS5 and Restated
A - NET CASH FROM OPERATING ACTIVITIES			
Net income (loss) from continuing activities		(102.2)	(78.7)
Net income (loss) from discontinued operations		*142.1*	*(90.1)*
Elim. Operating depreciations, Amortization, provisions & impairment losses		75.1	162.8
Elim. Gains/ losses on disposal		(161.4)	(11.8)
Elim. Other non-cash items		-	(0.2)
Operating cash flow before changes in working capital		(46.4)	(18.0)
Elim. Net finance costs		72.0	86.3
Elim. Income tax expense		28.9	33.0
Elim. Net other financial expenses		(0.6)	7.1
Operating cash flow before changes in working capital, net financial debts and income tax expenses		53.9	108.4
Change in operating working capital (including change in deconsolidated Factoring)		6.9	(4.9)
Increase/Decrease in Factoring deposit		(3.2)	(3.4)
Income taxes paid		(14.1)	(16.7)
NET CASH FROM OPERATING ACTIVITIES	A	43.5	83.4
Out of which net operating cash from discontinued operations		(20.9)	32.9
B - NET CASH USED IN INVESTING ACTIVITIES			
Purchases of intangible assets, property, plant & equipment		(20.4)	(51.6)
Proceeds on disposal of intangible assets, property, plant & equipment		0.6	6.8
Purchases of consolidated companies (net of cash acquired)		-	(32.3)
Sales of consolidated companies (net of cash sold)		668.3	(1.0)
Other cash flows from investing activities		4.6	(1.1)
NET CASH USED IN INVESTING ACTIVITIES	B	653.1	(79.3)
Out of which net cash used in investing activities from discontinued operations		671.7	(46.2)
C - NET CASH USED IN FINANCING ACTIVITIES			
Dividends paid during the year		(2.7)	(1.2)
Increase in borrowings		6.7	140.2
Decrease in borrowings		(152.2)	(111.0)
Net financial interests paid		(70.8)	(81.8)
Foreign exchange (losses)/gains on financing activities		0.6	(7.1)
Other cash flows from financing activities		3.6	12.6
NET CASH USED IN FINANCING ACTIVITIES	C	(214.7)	(48.3)
Out of which net cash used in financing activities from discontinued operations		(163.0)	19.7
IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS	D	(1.9)	(11.3)
CHANGES IN NET CASH AND CASH EQUIVALENTS	(A+B+C+D)	480.0	(55.5)
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		82.0	137.4
Net cash flows for the period		480.0	(55.5)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD *		561.9	82.0
Out of which net cash and Cash equivalents at the end of the period from discontinued operations		47.9	40.6

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

In compliance with IFRS 5 and IA8, the cash flow statement for 2022 reflects the effects of IFRS 5 (see Note 2.2) and of corrections pertaining to factoring (see Note 2.3)

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, 2021	137.3	(319.8)	(52.1)	(3.9)	(238.4)	20.4	(218.0)
Net income		-	(172.1)	-	(172.1)	3.2	(168.8)
Income and expenses recognized directly in equity	-	-	-	(5.6)	(5.6)	(0.1)	(5.7)
TOTAL COMPREHENSIVE INCOME			(172.1)	(5.6)	(177.7)	3.2	(174.5)
Net income appropriation from previous year		(52.1)	52.1	-	-	-	-
Dividends paid		-	-	-	-	(1.2)	(1.2)
Changes in consolidation scope and transactions with change in control		(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)
Net income		-	40.5	-	40.5	(0.6)	39.9
Income and expenses recognized directly in equity		0.2	-	(9.3)	(9.1)	(0.3)	(9.4)
TOTAL COMPREHENSIVE INCOME	-		40.5	(9.3)	31.4	(0.9)	30.5
Net income appropriation from previous year		(172.0)	172.0	-	-	-	-
Dividends paid		-	-	-	-	(2.7)	(2.7)
Other variations		0.2	-	-	0.2	-	0.2
Changes in consolidation scope and transactions with change in control		(1.5)	0.1	1.9	0.5	(6.2)	(5.7)
AS OF DECEMBER 31, 2023	137.3	(545.4)	40.5	(17.1)	(384.7)	15.9	(368.8)

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NOTE 1
GENERAL INFORMATION AND SIGNIFICANT EVENTS

The terms "the Atalian Group", "Atalian" and "the Group" refer to the parent company, La Financière Atalian ("LFA"), 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 organizations, in France and internationally, in total the Group holds subsidiaries in 21 countries and is active in 19 countries.

At December 31, 2023, 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 4, 2024 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 2023 FINANCIAL YEAR

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

On December 16, 2022, La Financière Atalian announced the signature of an agreement with Clayton, Dubilier & Rice ("CD&R"), under which the funds managed and/or advised by CD&R agreed to acquire Atalian's activities in the UK, Ireland and Asia, including Aktrion.

Aktrion and Asian entities represented geographical areas of operations and the operation met the definition of Discontinued Operations as per IFRS 5 at the end of 2022, until the closing date.

The transaction was completed on February 28, 2023. This operation confirmed an enterprise value at €735 million for the entire scope sold.

The amount paid by CD&R was circa €753 million including 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 gain of €149.1 million accounted for on the line "Net income(loss) from discontinued operations" of the Consolidated income statement.

The net proceeds of the disposal is mostly dedicated to the Group deleveraging, in particular within the framework of 2024 and bonds indentures re-negotiation.

1.1.2. Litigations

Follow up of the judicial convention of public interest (CJIP)

On January 17, 2022, the public prosecutor's office of Paris and the company La Financière Atalian 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).

In order to preserve the corporate interest of the Group, the ultimate shareholder paid a sum of €8,2 million 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.
An additional amount of €0.5 million 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 €0.4 million on March 15, 2022 for the Anti-Corruption French Agency (AFA) 2 years compliance monitoring to the French public Treasury (Ministry of Finance) as the Group was under AFA monitoring until February 17, 2024. The CJIP is an alternative procedure to prosecution for legal entities. In Atalian's case, this procedure marked the Group's commitment to strengthening its anti-corruption prevention program. The CJIP therefore constitutes an agreement and not a conviction. During this monitoring, the Group has worked with the AFA to ensure compliance with its recommendations in order to comply with its standards.

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

The Group has responded to all requests related to the AFA audit and is now awaiting the AFA's opinion.

Litigation with third party following the sale to CD&R

La Financière Atalian was 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. LFA and AHDS refer to the enforcement judge at Paris Criminal Court in order to completely release the precautionary seizure and condemn the plaintiff to pay a compensation of approximately €0.8 million. Following negotiations out of court, the parties have agreed to settle this dispute for an overall amount of EUR 8 million, which was signed on October 12, 2023. By such settlement, the pursuant has agreed to give up all pending legal actions relating to the case.

1.1.3. Performance plan

Following the sale of its operations in the UK, Ireland and Asia, including Aktrion, the management focus 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 adapting its structure to restore the historic profitability of its French operations.

As of December 2023, the operating profit reflects the impact of the of actions taken and confirms the trend of the first semester of 2023.

1.1.4. Acquisition by GDI of Assets of Atalian USA operations

On October 31, 2023, Atalian and GDI agreed to enter into a memorandum of understanding (MOU) to cooperate in the pursuit and provision of facility maintenance services for international client opportunities in their respective geographies (Atalian operating in Europe and GDI in North America).

In parallel, GDI agreed to acquire the Group's facility services assets (customer contracts, employees, equipment and leases, etc.) located in the United States, effective October 31, 2023.

GDI also agreed to take over some liabilities (union audits, workers compensation…) in exchange of a cash payment reduction but did not to take over the past litigations.

Discontinuation of the US operations led the Group to present this perimeter as discontinued operations in respect of IFRS 5 and to restate the 2022 comparative financial year.

The amount paid by GDI is circa €9.9 million, after deduction of the liabilities transferred.

The disposal resulted in a gain of €3.9 million accounted for on the line "Net income(loss) from discontinued operations" of the Consolidated income statement.

1.1.5. Other changes in scope

The entities in Myanmar have been classified to Held for Sale under IFRS 5 in 2023.

1.1.6. Minority interests

In the year 2023, the Atalian Group bought minority interests notably in Croatia (26,4%), Belarus (35%) and Myanmar (49%).

1.1.7. Conflict in Ukraine and Russian operations

The conflict between Russia's and Ukraine which started in 2022, is still going on as of December 31, 2023 and new sanctions applied. Therefore, Atalian Group reconsidered 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 2023. In 2023, revenue from both Russian and Belarusian operations represent for around 1% of the Group's consolidated net sales.

As at December 31, 2023 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.

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, 2023

Refinancing of outstanding notes

During 2023, Atalian has been considering its strategic options, including with respect to the maturity of its €625 million 4.000% senior unsecured notes due May 2024, the €350 million 5.125% senior unsecured notes due May 2025, and the £225 million 6.625% senior unsecured notes due May 2025 (the "Existing Notes"). After a period of confidential discussions with an ad hoc group of representative noteholders, as of January 19, 2024, Atalian reached an agreement on a common set of commercial terms with respect to a long-term solution for the refinancing of the Group (the "Transaction") with noteholders representing 39% of the Existing Notes. The key features of the proposed Transaction included:

1. a cash redemption of €400 million in respect of the Existing Notes at consummation of the Transaction, with a specified allocation of €100 million for participating noteholders that vote in favor of the Transaction within the first 10 business days of the exchange offer being launched;
2. a reinstatement of remaining amounts under the Existing Notes, to be issued in the form of new Euro denominated senior secured notes due 30 June 2028 and in an aggregate amount of €836 million ("Exchange Notes").

The new notes will bear 8.5% all in interest (3.5% of cash and 5.0% PIK "payable in kind"), cash interest shall be payable semi-annually in arrears, PIK interest shall capitalize annually.

As part of the Transaction, the main shareholder of Atalian consented to the implementation of a "double Luxco" structure above the existing Atalian Group and to purchase to the Atalian Group its minority stake in Atalian Propreté and Atalian Sûreté.

Atalian and the representative noteholders have also signed a "Lock-Up Agreement" to bind each party into supporting the Transaction, with a Lock-up Fee of 50 bps payable upon consummation of the Transaction to each participating noteholder who is originally party to the Lock-up Agreement.

On February 9, 2024, the Lock-up Agreement had been signed or acceded by noteholders holding over 98.4% in the aggregate principal amount of each series of the Existing Notes. At over 98%, the level of support clearly exceeds the threshold required to proceed with implementation of the Transaction.

As a consequence of the above, on February 2024, Atalian launched the exchange offer and the consent solicitation.

On March 11, 2024, at the Consent deadline, Atalian received valid tenders and consents from Eligible Holders holding over 97.78% in the aggregate principal amount of each series of the Existing Notes. The refinancing process was finalized on March, 28 2024.

1.3. GOING CONCERN

As announced on December 16, 2022 and confirmed on February 28, 2023 Atalian set the terms for allocating the significant net proceeds of the sale to CD&R during the 2023 financial year to deleverage and derisk the Group balance sheet. €400 million out of the €698 million upfront cash proceeds are to be used to reduce the Group gross debt. The Group took this refinancing opportunity to align the debt features (interest, maturity, cash out schedule) to its operations needs and capacity.

In parallel, the Group has refocused its operations to become a pan-European leader in the facility management business. In the light of this strategic re-orientation, the Group reviewed its organization to adapt its structure to its new objectives.

In the meantime, the Group recently re- assessed its forecasts (updated medium-term business plan) in order to articulate a continued profitability improvement plan in all the zones in which the Group operates. This strategic orientation contains a set of de-risking measures in a context of strong inflationary pressure. In addition, during the financial year 2022, the Group also recognized all the needed impairment especially in the US, strongly decreasing the risk exposure of its assets and laying the foundations of a controlled development.

Considering the short-to medium-term business forecast, the above risk mitigation plan, the cash generated of the sale proceeds, and the refinancing settled on March 28, 2024 that provides an extension of debt maturity nearly 4.5 years, the Group considers it should be able to meet its financial commitments. Consequently, the Group prepare its financial statements as of 31 December 2023 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, 2023 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://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/financial-reporting_en

Amendments to accounting policies

The following accounting policies and methods have changed compared to December 31, 2022.

Uniforms

As effective starting January 1, 2023 the Group does not capitalize anymore the costs of the uniforms purchased.
In 2022, Uniforms were still capitalized however in anticipation of this new methodology an accelerated amortization of the residual net book value of uniforms capitalized as at December 31, 2022 was accounted for a total amount of €(4.1) million (see Note 5.3 Property, Plant and Equipment).

Aggregate definition

Eventually, in 2023 the Group decided to replace the aggregate "Operating income before depreciation, amortization, provision and impairment loss" on the face of the Income statement by "Operating income before depreciation, amortization and impairment loss". Provisions related to current operation such as bad debts; inventory provision, other operating provisions and retirement benefits provisions have been reintegrated in the new aggregate starting December 31, 2023. Application of this new definition to 2022 financial would result in an Operating income before depreciation, amortization and impairment loss of €111.6 million versus an Operating income before depreciation, amortization, provision and impairment loss of €114.5 million.

Amendments to IFRS standards

The implementation of other amended standards listed here below has no material impact on the consolidated financial statements as of December 31, 2023.

Amendments effective since 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.

Amendments to IAS 12, International Tax Reform — Pillar Two Model Rules which provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

Forthcoming requirements

Amendments to IAS 1 - Classification of Liabilities as Current or Noncurrent and Non-current Liabilities with Covenants
Effective for annual periods beginning on or after 1 January 2024.
The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer settlement must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification
- Disclosures.

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback - Effective for annual periods beginning on or after 1 January 2024
The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements Effective for annual periods beginning on or after 1 January 2024.
The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
Early adoption is permitted but will need to be disclosed.

Amendments to IAS 21-Lack of exchangeability
Effective for annual periods beginning on or after 1 January 2025.
The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.
Early adoption is permitted but will need to be disclosed.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28
Effective for annual periods beginning on or after 1 January 2025.
The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.
The amendments must be applied prospectively. Early application is permitted and must be disclosed.

The Group did not apply any of these amendments by anticipation as at December 31, 2023 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 assessment 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 recognized 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 depend 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 recognized 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, 2023, 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 lines «Other operating income» and «Other operating expenses» of the consolidated income statement.

Hyperinflation in Türkiye

With a 3-year cumulative rate over 100%, since February 2022, Türkiye 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 to Türkiye's financial statements since 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 64,77% compared with December 2022, and an EUR/TRY parity (32,65) for the translation of the income statement of its Turkish subsidiary. In accordance with IAS 29, a €(0.9) million income was recorded in net income under "Other financial income and expenses" (see Note 12.2) as of December 31, 2023.

Others

Notwithstanding the ongoing conflict in Ukraine, the Group managed to maintain business continuity during the year, and its estimates and judgments therefore remain valid. See Note 1.1.7. regarding the group operating activities and exposure in Russia.

2.2. DISCONTINUED OPERATIONS

CD&R sale transaction

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 advised 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 operations through a joint share agreement, the transaction 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.

The impact of the sale of UK, Asia and Aktrion entities is presented on the line "Profit/loss on disposal on subsidiary" for a total of €154 million in International.

- Net proceeds of disposal €149.2 million.
- CTA relating to hedge of a net investment reversal for +€5.3 million.
- Intercompany transactions with Madison entities €(0.7) million.

The closing of the transaction took place on February 28, 2023.
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 and terminated in March 2024.

US asset deal

As indicated in Note 1.1.4 U.S. Asset deal, the Company finalized the transaction with GDI Integrated Facility Services Inc. ("GDI") to take over Atalian's facility services assets (customer contracts, employees, equipment and leases, etc.) located in the United States, effectively October 31, 2023. Consequently, following to Atalian's engagement to dispose the U.S. business through an asset deal, 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 of December 31, 2023:

- 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 re-presented to disclose the discontinued operations separately from continuing operations, €(107) million have been reclassified from Net income from continuing operations to Net income from discontinued operations.

2.2.1. Net Income / loss from discontinued operations

In accordance with IFRS 5, 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, 2023.

Breakdown of Atalian's net result of its activities in UK, Ireland, Aktrion, Asia and USA at December 31, 2023

in millions of euros	December 31, 2023*	December 31, 2022 IFRS5**
CONSOLIDATED REVENUE	273.4	1,215.8
Raw materials & consumables used	(51.7)	(308.5)
External expenses	(15.4)	(51.9)
Staff costs	(198.4)	(796.4)
Taxes (other than on income)	(6.1)	(11.9)
Other operating income	(2.9)	2.7
Other operating income expenses	(5.6)	(5.5)
OPERATING INCOME BEFORE DEPRECIATION, AMORTIZATION, AND IMPAIRMENT LOSS	(6.5)	44.3
Depreciation and amortization, net	(5.1)	(37.8)
Impairment loss, net	-	(73.3)
Other income and expenses	155.6	(13.0)
OPERATING PROFIT (LOSS)	144.0	(79.8)
Financial debt cost	(1.8)	(6.0)
Income from cash and cash equivalents	-	0.1
NET FINANCIAL DEBT COST	(1.8)	(5.9)
Other net financial income and expenses	(0.5)	2.0
NET FINANCIAL EXPENSES	(2.3)	(3.9)
Income tax expenses	0.4	(6.3)
NET INCOME FOR THE PERIOD	142.1	(90.1)
Attributable to owners of the company	142.2	(89.7)
Attributable to non-controlling interests	(0.1)	(0.4)

** UK, Ireland, Aktrion, Asia 2 months and USA 10 months*
*** UK, Ireland, Aktrion, Asia*

The Group's consolidated income statement showed a net income from discontinued operation of €142.1 million as of December 31, 2023 and €(90.1) as of December 31, 2022 restated.
The respective contribution of the CD&R entities and USA are €153.4 million and €(11.4) million in 2023 and €16.9, and €(107.0) million in 2022.

This result contains as part of other operating expenses, intra companies expenses relating to services rendered by the Atalian Group that did carry on after the transaction for (6.4) million as of December 31, 2022 an €(0.8) million as of December 31,2023

2.2.2. Impact on 2022 consolidated income statement

in millions of euros	December 31, 2022 As previously reported	IFRS5 Adjustments	December 31, 2022 IFRS 5
NET SALES	2,065.1	(141.2)	1,923.8
Raw materials & consumables used	(425.1)	25.3	(399.8)
External expenses	(88.0)	10.0	(77.9)
Staff costs	(1,427.5)	117.4	(1,310.1)
Taxes (other than on income)	(35.7)	7.5	(28.1)
Other operating income	15.9	(2.0)	13.9
Other operating expenses	(10.1)	2.9	(7.2)
OPERATING INCOME BEFORE DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSS	94.7	19.9	114.5
Depreciation and amortization, net	(69.3)	4.9	(64.4)
Impairment loss, net	(68.4)	68.9	0.6
Other income and expenses	(22.6)	10.2	(12.5)
OPERATING PROFIT (LOSS)	(65.6)	103.9	38.2
Financial debt cost	(81.7)	0.8	(80.9)
Income from cash and cash equivalents	0.5	-	0.5
NET FINANCIAL DEBT COST	(81.2)	0.8	(80.4)
Other net financial income and expenses	(8.6)	(1.2)	(9.9)
NET FINANCIAL EXPENSES	(89.9)	(0.4)	(90.3)
Income tax expenses	(30.3)	3.6	(26.7)
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(185.8)	107.0	(78.7)
Net income (loss) from discontinued operations	16.9	(107.0)	(90.1)
NET INCOME FOR THE PERIOD	(168.8)	-	(168.8)
Attributable to owners of the company	(172.1)	-	(172.1)
Attributable to non-controlling interests	3.3		3.3

The adjustment relates to the reclassification from "Net income (loss) from continuing operating" to "Net income (loss) from discontinued operating" of US entities results.

2.2.3. 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.
- the assets linked with the discontinued operations in Myanmar 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, 2023.

Breakdown of Atalian's assets and liabilities held for sale in the UK, Ireland, Aktrion, Asia as at December 31, 2022 and Myanmar as at December 31, 2023

in millions of euros	December 31, 2023*	December 31, 2022 IFRS5**
Goodwill		470.6
Intangible assets	-	64.7
Property, plant and equipment	(0.4)	53.0
Other non-current financial assets	0.2	18.4
Deferred tax assets	-	11.1
NON-CURRENT ASSETS	(0.1)	617.8
Inventories	0.1	40.9
Advanced payments to suppliers		0.7
Accounts receivable	0.5	103.2
Other current assets	0.1	30.4
Tax receivable		1.5
Marketable securities and other investments	0.8	27.1
CURRENT ASSETS	1.5	204.0
TOTAL ASSETS HELD FOR SALES AND DISCONTINUED OPERATIONS	1.3	821.7
Provision for pension		1.9
Non-current financial liabilities	-	28.1
Deferred tax liabilities		14.8
NON-CURRENT LIABILITIES	-	44.8
Trade payables	-	91.1
Provisions		1.0
Other current liabilities	0.3	107.5
Current tax liabilities	0.1	2.3
CURRENT LIABILITIES	0.4	201.9
TOTAL LIABILITIES RELATED TO ASSETS HELD FOR SALES AND DISCONTINUED OPERATIONS	0.4	246.7
NET ASSET DIRECTLY ASSOCIATED WITH GROUP DISPOSAL	0.9	575.0

** Myanmar*
***UK, Ireland, Aktrion, Asia*

2.2.4. 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, 2023	December 31, 2022
Net cash from operating activities	A	(20.9)	46.7
Net cash from (used in) investing activities	B	671.7	(43.4)
Net cash from (used in) financing activities	C	(163.0)	(13.6)
Impact of forex and other	D	2.8	(2.2)
CHANGES IN NET CASH AND CASH EQUIVALENTS	(A+B+C+D)	490.7	(12.5)

2.3. RESTATEMENT OF FINANCIAL STATEMENTS PREVIOUSLY REPORTED

2.3.1 Summary of the restatements

Accounting for Factoring

In application of the IAS 8 standard, the Company has corrected the financial statements reported for the financial year ended 31st December 2022.

These corrections are the result of errors detected during the review and analysis of Standard Operating Procedure Factoring.

The adjustments/restatements have main impacts in France, where the Cash and Cash Equivalent are overstated, and account receivables and financial debt are understated that concern the following items:

1. Classification of funds collected on behalf of the Factor

Although receivables are sold to the Factor, Atalian keeps on collecting receivables on behalf of the Factor.

The collections are channeled through dedicated, pledged or swept bank accounts in favor of Factor. The sweep mechanism generally takes 1 Business Day before re-directing the proceeds automatically to the Factor. Atalian used to recognize in-coming collection proceeds standing on these dedicated bank accounts in its own Cash and Cash Equivalent although the beneficiary of the cash in bank is the Factor.

The amount is generally the collection of last business day of the month before redirecting the proceed to the Factor.

2. Classification of the factoring "current account"

At least once a month, Atalian affiliates sell their Account Receivables balances to the Factor.
Those sales are qualified as a "true sale" under IFRS.

However, the Factor is entitled to reject some invoices not meeting the factor agreement criteria.
These "rejected" invoices are deducted from the next Account Receivables sales and are temporary kept in the "Current account" by the Factor as shown in the Factor Statement.

The "Current account" was classified as Cash & Cash equivalent in Atalian's balance sheet.

3. Invoices non-guaranteed by the credit insurance

In the Factoring program, the insurer provides the credit insurance (up to certain limits) to the Factor and the credit decisions are based on Atalian's customers creditworthiness.
The Factor may generally accept to fund non-guaranteed invoices but is entitled to automatically ask refunding after 60 days of overdue. Therefore, Atalian bears the late payment and customer's default risks. These non-guaranteed invoices are not eligible to derecognition under IFRS.

The adjustments/restatements required to the consolidated financial statements reported for the financial year ended 31st December 2022 are:

- Decrease of Cash and Cash Equivalent for €25.9 million.
- Increase of Financial Debt – factoring of €26.9 million (see note 9.4).
- Increase of Account Receivables (including Account Receivables – factor) for €55.4 million.
- Decrease of Security deposit – factor by €2.6 million.

2.3.2 Impact on the consolidated statement of financial position

The tables that follow summarize the effects of the restatements on the consolidated financial statements for the financial year ended 31 December 2022:

Impact of correction of errors

ASSETS in millions of euros	January 1st, 2022 As previously reported	*IAS8 Adjustments*	January 1st, 2022 Restated
Goodwill	1,062.8		1,062.8
Intangible assets	62.8		62.8
Property, plant and equipment	62.3		62.3
Right of Use	106.8		106.8
Other non-current financial assets	38.6	*(2.3)*	36.3
Investments in associates	0.3		0.3
Deferred tax assets	83.8		83.8
NON-CURRENT ASSETS	1,417.4	*(2.3)*	1,415.1
Inventories	47.8		47.8
Advanced payments to suppliers	6.3		6.3
Trade receivables	342.6	*40.5*	383.1
Other current assets	173.0		173.0
Current tax assets	6.3		6.3
Cash and cash equivalent	157.0	*(15.8)*	141.2
CURRENT ASSETS	733.0	*24.7*	757.7
TOTAL ASSETS	2,150.3	*22.6*	2,172.8

The adjustment relating to factoring correction as of January the first 2022 are reflected in "Other financial assets", "Accounts receivable" and "Cash".

ASSETS in millions of euros	December 31, 2022 As previously reported	*IAS8 Adjustments*	December 31, 2022 Restated
Goodwill	523.2		523.2
Intangible assets	10.7		10.7
Property, plant and equipment	36.0		36.0
Right of Use	92.8		92.8
Other non-current financial assets	20.7	*(2.6)*	18.1
Deferred tax assets	59.3		59.3
NON-CURRENT ASSETS	742.7	*(2.6)*	740.1
Inventories	4.2		4.2
Advanced payments to suppliers	6.4		6.4
Trade receivables	218.3	*55.4*	273.7
Other current assets	88.1		88.1
Current tax assets	4.2		4.2
Cash and cash equivalent	91.1	*(25.9)*	65.2
CURRENT ASSETS	412.3	*29.5*	441.8
Assets held for sales and discontinued operations	821.7		821.7
TOTAL ASSETS	1,976.7	*26.9*	2,003.6

The adjustment relating to factoring correction as of December 31, 2022 are reflected in "Other financial assets", "Accounts receivable" and "Cash".

EQUITY AND LIABILITIES in millions of euros	January 1st, 2022 As previously reported	*IAS8* *Adjustments*	January 1st, 2022 Restated
Equity			
Equity attributable to the owners of the company	(238.4)		(238.4)
Non-controlling interests	20.4		20.4
TOTAL EQUITY	(218.0)		(218.0)
Provision for pension	27.2		27.2
Other non-current provisions	6.0		6.0
Non-current financial liabilities	1,309.5		1,309.5
Deferred tax liabilities	9.5		9.5
NON-CURRENT LIABILITIES	1,352.1		1,352.1
Prepayments from customers	9.0		9.0
Trade payables	325.3		325.3
Provisions	60.6		60.6
Other current liabilities	502.2		502.2
Taxes payable specific for French entities	31.4		31.4
Current tax liabilities	10.0		10.0
Current portion of financial liabilities	71.6	22.6	94.2
Financial instruments	2.2		2.2
Short-term debt	3.8		3.8
CURRENT LIABILITIES	1,016.2	22.6	1,038.6
TOTAL EQUITY AND LIABILITIES	2,150.3	22.6	2,172.8

The adjustment relating to factoring correction as of January the first 2022 are reflected in "Current Financial liabilities" in notes above.

EQUITY AND LIABILITIES in millions of euros	December 31, 2022 As previously reported	*IAS8* *Adjustments*	December 31, 2022 Restated
Equity			
Equity attributable to the owners of the company	(416.8)		(416.8)
Non-controlling interests	25.7		25.7
TOTAL EQUITY	(391.1)		(391.1)
Provision for pension	23.9		23.9
Other non-current provisions	10.4		10.4
Non-current financial liabilities	1,282.0		1,282.0
Deferred tax liabilities	5.6		5.6
NON-CURRENT LIABILITIES	1,321.9		1,321.9
Prepayments from customers	13.9		13.9
Trade payables	209.7		209.7
Provisions	26.1		26.1
Other current liabilities	390.8		390.8
Current tax liabilities	5.7		5.7
Current portion of financial liabilities	141.4	26.9	168.3
Financial instruments	1.5		1.5
Short-term debt	10.1		10.1
CURRENT LIABILITIES	799.2	26.9	826.1
Liabilities related to assets held for sales and discontinued operations	246.7		246.7
TOTAL EQUITY AND LIABILITIES	1,976.7	26.9	2,003.6

The adjustment relating to factoring correction as of December 31, 2022 are reflected in "Current Financial liabilities" in notes above.

2.3.3 Impact on the consolidated cash flow statement

in millions of euros		December 31, 2022 As previously reported	*IFRS5*	*IAS8* *Restatement*	December 31, 2022 IFRS5 & Restated
A - NET CASH FROM OPERATING ACTIVITIES					
Net income (loss) from continuing activities		(185.8)	*107.0*		(78.7)
Net income (loss) from discontinued operation		16.9	*(107.0)*		(90.1)
Elim. Operating depreciations, Amortization, provisions & impairment losses		162.8			162.8
Elim. Gains/ losses on disposal		(11.8)			(11.8)
Elim. Other non-cash items		(0.2)			(0.2)
Operating cash flow before changes in working capital		(18.0)	-		(18.0)
Elim. Net finance costs		86.3			86.3
Elim. Income tax expense		33.0			33.0
Elim. Net other financial expenses		7.1			7.1
Operating cash flow before changes in working capital, net financial debts and income tax expenses		108.4	-		108.4
Change in operating working capital (including change in deconsolidated Factoring)		10.0		*(14.9)*	(4.9)
Increase/Decrease in Factoring deposit		(3.7)		*0.3*	(3.4)
Income taxes paid		(16.7)			(16.7)
NET CASH FROM OPERATING ACTIVITIES	A	98.0		*(14.6)*	83.4
Out of which net operating cash from discontinued operations		46.7	*(13.8)*		32.9
B - NET CASH USED IN INVESTING ACTIVITIES					
Purchases of intangible assets, property, plant & equipment		(51.6)			(51.6)
Proceeds on disposal of intangible assets, property, plant & equipment		6.8			6.8
Purchases of consolidated companies (net of cash acquired)		(32.3)			(32.3)
Sales of consolidated companies (net of cash sold)		(1.0)			(1.0)
Other cash flows from investing activities		(1.1)			(1.1)
NET CASH USED IN INVESTING ACTIVITIES	B	(79.3)			(79.3)
Out of which net cash used in investing activities from discontinued operations		(43.4)	*(2.8)*		(46.2)
C - NET CASH USED IN FINANCING ACTIVITIES					
Dividends paid during the year		(1.2)			(1.2)
Increase in borrowings		114.0		*26.2*	140.2
Decrease in borrowings		(89.2)		*(21.8)*	(111.0)
Net financial interests paid		(81.8)			(81.8)
Foreign exchange (losses)/gains on financing activities		(7.1)			(7.1)
Other cash flows from financing activities		12.6			12.6
NET CASH USED IN FINANCING ACTIVITIES	C	(52.7)		*4.3*	(48.3)
Out of which net cash used in financing activities from discontinued operations		(13.6)	*33.3*		19.7
IMPACT OF FOREIGN EXCHANGE RATE CHANGES AND OTHERS	D	(11.3)			(11.3)
Out of which impact on foreign exchange rate changes and others from discontinued operations		(2.2)	*(3.1)*		(5.3)
CHANGES IN NET CASH AND CASH EQUIVALENTS	(A+B+C+D)	(45.2)		*(10.3)*	(55.5)
NET CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		153.2		*(15.8)*	137.4
Net cash flows for the period		(45.2)		*(10.3)*	(55.5)
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		108.0		*(26.0)*	82.0
Out of which net cash and Cash equivalents at the end of the period from discontinued operations		27.0	*13.6*		40.6

For IFRS5, please refer to Note 2.2.

2.4. CONSOLIDATION

2.4.1. Financial year-end

The Group's companies have been consolidated based on their financial statements for the twelve-month period ended December 31, 2023. 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, 2023 consisted of twelve months.

2.4.2. Consolidation methods and scope of consolidation

Subsidiaries

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

Intra-group transactions, balances and unrealized 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 recognized at cost, and the carrying amount is increased or decreased to recognize 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 recognized 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 recognized in the consolidated income statement, and its share of movements in other comprehensive income is recognized in other comprehensive income. Unrealized 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 recognized 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 31/12/23	At 31/12/22
Fully consolidated companies	98	178
Companies accounted for by the equity method	-	1
	98	179

The change in the number of entities and in the scope of consolidation is mainly driven by the sale to CD&R of 79 entities.

2.4.3. 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 recognized under "currency translation reserve" in other comprehensive income.

The Group applied IAS 29 for the first time to Türkiye's financial statements as of December 31, 2022. The cumulative rate of inflation over the last three years is still in excess of 100%, based on a combination of indices used to measure inflation in this country qualifying Türkiye as hyperinflation economy as at December 31, 2023. Therefore, in compliance with IAS21.42 Türkiye assets and liabilities as well as income and expenses are translated at the closing rate for the year.

Main currencies as of December 31, 2023 and in average in FY 2023 are the followings:

		December 31, 2023		December 31, 2022	
Exchange Rates		Average Rate	Closing Rate	Average Rate	Closing Rate
Pound Sterling	↘	0.8696	0.8690	0.8546	0.8869
US Dollar	↘	1.0805	1.1050	1.0454	1.0666
CEE					
Czech Koruny	↗	24.0380	24.7240	24.5750	24.1160
Croatian Kuna	↘	7.5365	7.5365	7.5359	7.5365
Hungarian Forint	↗	381.8100	382.8000	394.5500	400.8700
Polish Zloty	↗	4.5363	4.3395	4.6989	4.6808
Russian Ruble	↘	92.6530	98.4910	70.7330	77.5900
New Turkish Lira	↘	26.0260	32.6530	17.6220	19.9650
Asia					
Singapore Dollar	↘	1.4520	1.4591	1.4436	1.4300
Thai Baht	↘	37.6690	37.9730	36.7840	36.8350
Indonesian Rupiah (thousand IDR)	↘	16 494.0000	17.0800	15.5710	16.5200
Malaysian Ringgit	↘	4.9397	5.0775	4.6173	4.6984
Philippine Peso	↘	60.1510	61.2830	57.2550	59.3200
Africa & Middle East					
Moroccan Dirham				10.6950	11.1660

↗ *On average (in 2023 versus 2022), Currency has strengthened against €*

↘ *On average (in 2023 versus 2022), Currency has weakened against €*

2.4.4. 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 recognized 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 analyzed 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 recognized 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) was concerning subsidiaries in the UK until February 28, 2023.

2.4.5. 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. 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 recognized 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, 2023, 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 recognized at their market value in the consolidated statement of financial position ("financial instruments"). The fair value changes of these derivatives are recognized in P&L under the line item "Other net financial income and expenses".

At December 31, 2023, 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, 2023 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	2.1	2.1				
HUF	2.1	2.1				
RON	1.6	1.6				
CZK	13.0	13.0				0.1
SUB-TOTAL	**18.7**	**18.7**				**0.1**
Sell Spot / Buy Fwd Currency (Lending currency)						
PLN	8.8	8.8				
SUB-TOTAL	**8.8**	**8.8**				**-**
TOTAL FOREIGN CURRENCY DERIVATIVES	**27.5**	**27.5**				**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.

Hedge of a net investment in a foreign operation

All financial instruments designated as net investment in a foreign operation as at December 31, 2022 have been either settled or no longer qualify as hedge of a net investment. In particular, the GBP borrowing bonds no longer qualifies as hedge of a net investment following the outgoing of Madison entities.

Interest rate fair value hedge

Breakdown of financial instruments designated as cash flow hedges:

Financial instrument	Notional amount as of December 31, 2023 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			0.5
TOTAL INTEREST RATE HEDGES	**50.0**		**50.0**			**0.5**

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 19 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 for GBP69 million which will be used to reimburse the bond on March 28th, 2024 and the US dollar due to short- and long-term intra-group loans (respectively US39.2 million and USD45.0 million) which will be capitalized in 2024 following US asset deal realization in 2023.

Interest-rate risk

Atalian is mainly exposed to interest rate risk through its factoring program. 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 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 14% 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 authorized.

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.

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 €250 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".

2.4.6. Related parties

The parties considered as related to the Group, as well as material transactions carried out with these parties during FY 2023, 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 €0.6 million at year-end 2023.
- In addition, the security deposits to non- trading property companies amounted to €0.3 million at the year-end 2023.
- €0.8 million in ordinary trademark fees and catch up of €5.9 million related to prior year non invoiced fees for UK and Ireland territories.
- Purchase of the trademark Atalian for €5.6 million in November 2023 from the ultimate shareholder of the companies
- €3.3 million in 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 and other top management's compensation.
- The Group cooperates with City One, a company which provides reception services. The Chairman of LFA Supervisory Board and member of the Board of Directors of AHDS, is the controlling shareholder and Chairman of City One. Revenue generated from City One amounted to €1.8 million in FY 2023, and external expenses with this supplier amounted to €40.3 million in FY 2023.
- The Group has a current receivable account under the cash advance agreement with Atalian Holding Development & Strategy for €10.5 million.
- The sum of €8.3 million paid in March 2022 to the Group by the ultimate shareholder as a provision for any damages awarded by the Court to the Group (see Note 1.1.3) is retained until court case settlement expected in July 2024.
- 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 recognize any debt in relation with puts entered into by AHDS as it is not a party to these agreements from a legal standpoint.

2.5. 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 analyzed 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, either in Cleaning activity or the Other divisions (with notably Multitech and Security) entitled Facility Management.
- An "International" division, comprising all the companies outside France), which definition changed as compared to previous year due to the application of IFRS 5. In 2023, we operated in 18 countries outside of France, mainly in Central and Eastern Europe and Benelux, providing cleaning, multi-technical, security and bundled facility management services.
- Other comprising central functions at the holding level and reflecting the elimination of intragroup transactions between reporting segments in consolidation.

In 2023, as part of the new strategic plan and to better reflect the performance of each segment, the Group has decided to re-allocate dedicated holding cost to each relevant segment versus at Group level as previously reported.

Segment indicators

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

- Revenue
- Operating profit before depreciation, amortization, 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:

in millions of euros	By operating segment			
	France	International	Others (incl. Corp Holding)*	TOTAL GROUP
DECEMBER 31, 2023				
Revenue*	1,429.4	580.1**	(6.4)	2,003.0
Operating profit before depreciation, amortization and impairment losses	83.8	32.3	(19.6)	96.5
** include inter-segment revenue for €0.6 million*				
*** of which countries contributing to turnover > 10%*				
Belgium		*134.2*		
Türkiye		*96.3*		
Czech Republic		*75.6*		
DECEMBER 31, 2022 IFRS5				
Revenue*	1,391.9	536.0**	(4.0)	1,923.8
Operating profit before depreciation, amortization and impairment losses	108.9	25.9	(20.2)	114.5
** include inter-segment revenue for €0.5 million*				
*** of which countries contributing to turnover > 10%*				
Belgium		*119.1*		
Czech Republic		*74.1*		

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 realization 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 recognized using the billing method when the Group charges a fixed price for each hour of service provided.
Thus, revenue is recognized 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 analyzed 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 recognized turnover, a contract liability is recognized.
- if the revenue is lower than the recognized 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 recognized 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 recognized 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, amortization, and impairment losses

Operating profit before depreciation, amortization, 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. Please refer to section 2.1 for detail on the change in definition of this aggregate.

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 and €(0.8) million as of December 31, 2023. These amounts are accounted for on the lines Other operating income and Other operating expenses.

Employment costs

in millions of euros	December 31, 2023	December 31, 2022 IFRS5
Wages and other employment- related expense - I	(1,354.6)	(1,306.5)
of which wages and salaries	*(1,087.9)*	*(1,056.3)*
of which employer social contributions	*(241.2)*	*(230.1)*
of which contributions to defined contribution plans	*(6.0)*	*(5.5)*
of which other employment related expenses	*(19.4)*	*(14.5)*
Profit-sharing and incentive plans - II	(1.3)	(3.7)
TOTAL	(1,355.9)	(1,310.1)

Depreciation and amortization

in millions of euros	December 31, 2023	December 31, 2022 IFRS5
Intangible assets	(1.0)	(4.2)
Property, plant and equipment	(53.2)	(59.3)
of which D&A own property PP&E	*(11.1)*	*(4.6)*
of which D&A non-operating	*0.2*	*(13.3)*
of which amortization of rights of use	*(42.3)*	*(41.3)*
D&A Acquired through business combination	*(2.4)*	*(0.9)*
TOTAL	(56.7)	(64.4)

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 2023, other operating expenses amount to €39.2 million. The breakdown by different types of costs and divisions is as below:

in millions of euros	TOTAL GROUP	France	International	Corporate
Restructuring costs	(12.5)	(5.1)	(0.4)	(7.0)
Merge & acquisition fees	(8.1)	(0.1)	-	(8.0)
Other income and expenses	(18.6)	(9.5)	(1.2)	(7.9)
TOTAL	(39.2)	(14.7)	(1.7)	(22.9)

In France the expenses relate to
- France sick paid leave retroactivity risk following change in regulation in November 2023 for €(9.4) million.
- Restructuring costs for €(5.1) million.

In International the expenses relate to:
- Restructuring or €(0.4) million.
- Other costs for €(0.9) million.

In Corporate other income and expenses include:
- Litigation settlement agreement for a total of €(8.0) million.
- Fees related to the ongoing refinancing operation for €(3.9) million.
- Restructuring costs for €(7.0) million.
- Other various operating expenses for €(1.8) 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 recognized 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 recognized if the net book value of the CGU is greater than its recoverable amount. If applicable, an impairment loss recognized 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.

For deriving the value in use as at December 31, 2023, 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.
- 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, 2023 and at December 31, 2022). This growth rate reflects the expected long-term growth in the markets in which the Group's CGUs operate.

5.1.1. Movements

in millions of euros	Gross	Impairment	Net
DECEMBER 31, 2021	1,066.8	(4.0)	1,062.8
Currency Translation differences	(20.0)	1.5	(18.5)
Changes in Group structure	21.3	0.5	21.9
Impairment	-	(72.3)	(72.3)
Impact assets held for sale and discontinued operations	(470.6)	-	(470.6)
DECEMBER 31, 2022	597.5	(74.3)	523.2
Currency Translation differences	2.4	2.4	4.9
Changes in Group structure	(72.3)	67.7	(4.5)
DECEMBER 31, 2023	527.6	(4.1)	523.5

Impact of changes in Group structure pertains to entities disposed of during the year following Madison deal finalization for €(4.8) million.

5.1.2. Breakdown of goodwill by CGU

in millions of euros	December 31, 2023	December 31, 2022
France	446.4	443.6
International	77.1	79.6
TOTAL GROUP	523.5	523.2

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, 2023		December 31, 2022
FRANCE CGU		FRANCE CGU	
Carrying value	€211m	Carrying value	€174m
Cash flow projections	4 -year business plan + terminal value	Cash flow projections	4 -year business plan + terminal value
Discount rate	8.0%	Discount rate	8.2%
Long-term growth rate	1.50%	Long-term growth rate	2.0%
INTERNATIONAL CGU		INTERNATIONAL CGU	
Carrying value (classified as held for sale)	€78m	Carrying value	€151m
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		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	8.0% to 9.5%	Discount rate	8.8%
Long-term growth rate	1.50%	Long-term growth rate	2.0%
		UK CGU	
		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).	

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 (i.e. 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

No impairment losses were recorded as of December 31, 2023.
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 2023 (in millions of euros)	WACC Impact of +0.5%	Long-term growth Impact of -0.5%
France	(56.0)	(43.0)
International	(15.0)	(11.0)

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

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, customer relationships, licenses, capitalized expenses and other intangible assets are amortized on a straight-line basis over their estimated useful lives.

GROSS (in millions of euros)	Software, licenses, patents and similar rights	Other intangible assets	TOTAL
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 of assets held for sale and discontinued operations	(7.6)	(98.9)	(106.5)
DECEMBER 31, 2022	37.1	21.4	58.5
Currency Translation differences	-	0.5	0.5
Transfer and other movements	0.4	(0.5)	(0.1)
Changes in Group structure	(0.1)	(0.9)	(1.0)
Acquisitions	9.0	1.7	10.7
Disposals, reductions and others	(0.1)	(15.1)	(15.2)
DECEMBER 31, 2023	46.4	7.1	53.5

AMORTIZATION AND IMPAIRMENT (in millions of euros)	Software, licenses, patents and similar rights	Other intangible assets	TOTAL
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 of assets held for sale and discontinued operations	2.7	39.1	41.8
DECEMBER 31, 2022	(33.7)	(14.2)	(47.8)
Currency Translation differences	-	(0.1)	(0.1)
Transfer and other movements	-	0.1	0.1
Changes in Group structure	-	0.3	0.4
Disposals, reductions and others	0.1	14.7	14.8
Depreciation expense	(2.7)	(3.2)	(5.9)
DECEMBER 31, 2023	(36.2)	(2.4)	(38.7)

NET (in millions of euros)	Software, licenses, patents and similar rights	Other intangible assets	TOTAL
DECEMBER 31, 2022	3.5	7.2	10.7
DECEMBER 31, 2023	10.2	4.6	14.8

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 recognized 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 was 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 recognized prospectively.

Leases

Right-of-use assets totaling €78 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, 2021	88.9	172.2	98.2	107.4	5.7	472.4
Currency Translation differences	1.2	(0.8)	(1.5)	1.1	-	-
Modifications and reassessments on 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	1.3	112.4
Disposals, reductions and others	(6.9)	(6.8)	(2.7)	(12.9)	-	(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
Currency Translation differences	(0.2)	(1.8)	(0.5)	(1.2)	-	(3.7)
Modifications and reassessments on leases	(20.2)	(10.0)	(9.9)	(1.1)	(1.4)	(42.5)
Changes in Group structure	(1.9)	(0.5)	(0.9)	0.4	-	(2.9)
Acquisitions	13.7	21.1	21.2	2.7	0.2	59.0
Disposals, reductions and others	(0.8)	(12.3)	(1.5)	(8.8)	(0.1)	(23.5)
Impact assets held for sale and discontinued operations	(0.1)	(0.2)	(0.3)	-	-	(0.6)
DECEMBER 31, 2023	72.9	154.2	79.4	61.9	0.6	369.0

AMORTIZATION 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, 2021	(34.7)	(129.3)	(56.9)	(82.4)	-	(303.3)
Currency Translation differences	-	0.1	0.5	1.1	-	1.7
Modifications and reassessments on leases	11.0	12.0	18.1	4.0	-	45.2
Changes in Group structure	0.1	2.1	1.2	2.0	-	5.4
Disposals, reductions and others	-	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)	-	(254.6)
Currency Translation differences	0.1	0.8	0.3	0.1	-	1.3
Modifications and reassessments on leases	9.3	9.0	7.3	1.3	-	26.8
Changes in Group structure	(0.4)	(0.1)	-	(0.9)	-	(1.4)
Disposals, reductions and others	0.1	11.3	1.2	7.5	-	20.1
Depreciation expense	(12.3)	(22.3)	(17.9)	(5.4)	-	(57.9)
Impact assets held for sale and discontinued operations	0.1	0.2	0.3	-	-	0.5
DECEMBER 31, 2023	(35.7)	(122.4)	(54.3)	(52.6)	-	(265.1)

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, 2022	49.8	36.6	25.7	14.8	1.9	128.8
DECEMBER 31, 2023	37.2	31.8	25.0	9.3	0.6	104.0

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

5.4. OTHER NON-CURRENT FINANCIAL ASSETS

Classification

Other non-current financial assets mainly comprise
- Factoring security deposits classified as amortized 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 unrealized 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 amortized cost.

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date, which is the date on which the Group commits to purchase or sell the asset.
A financial asset is derecognized 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 recognized at fair value plus, in the case of a financial asset not at fair value through profit and loss, 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 amortized cost of a financial asset is the amount at which the asset was initially recognized minus principal repayments, plus or minus the cumulative amortization 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 €74.9 million as of December 31, 2023 and is mainly composed of factoring security deposits and other receivables The increase in other receivable compared to last year is driven by €55 million related to CD&R vendor loan.

in millions of euros	Factoring security deposits	Investments in non-consolidated companies and related receivables	Other receivables	Total gross value	Amortization and impairment	Net
DECEMBER 31, 2021 RESTATED	19.6	12.6	11.2	43.4	(7.2)	36.3
Changes in Group structure	(0.1)	(11.9)	0.5	(11.5)	6.3	(5.2)
Currency Translation differences	(0.4)	0.3	(0.9)	(1.0)	(0.2)	(1.2)
Transfer and other movements	-	0.5	(2.8)	(2.3)	-	(2.3)
Additions and reversals	3.1	-	6.5	9.5	0.4	9.9
Disposals, reductions and others	0.3	-	(1.2)	(1.0)	-	(1.0)
Impacts assets held for sales and discontinued operations	(8.8)	(0.5)	(10.1)	(19.3)	0.8	(18.6)
DECEMBER 31, 2022 RESTATED	13.7	1.0	3.2	17.9	0.2	18.1
Changes in Group structure	(0.6)	-	6.4	5.8	-	5.8
Currency Translation differences	0.1	-	-	0.1	-	0.1
Transfer and other movements	-	(1.0)	(6.8)	(7.8)	(0.5)	(8.3)
Additions and reversals	4.9	-	62.5	67.4	0.2	67.6
Disposals, reductions and others	(1.8)	-	(6.5)	(8.3)	-	(8.3)
Impacts assets held for sales and discontinued operations	-	-	(0.2)	(0.2)	-	(0.2)
DECEMBER 31, 2023	16.3	-	58.6	74.9	(0.1)	74.8

5.5. 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 recognized for all deductible/taxable temporary differences. However, deferred tax assets are recognized 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 utilized.

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 realization of the related tax benefit through future taxable profits is probable.

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

Deferred taxes are recognized 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.

5.5.1. Main sources of deferred tax by nature

in millions of euros	December 31, 2023	December 31, 2022
DEFERRED TAX ASSETS	36.8	59.3
. Tax loss carry-forward	21.9	49.0
. Employee benefits	6.1	5.6
. Other temporary differences	8.2	4.1
. Other sources of deferred tax assets	0.6	0.6
DEFERRED TAX LIABILITIES	3.2	5.6
. Other sources of deferred tax liabilities	3.2	5.6
TOTAL	33.6	53.7

Deferred tax assets on tax loss carry forward relate mainly to France for €21.9 million. €5.6 million deferred tax assets on tax loss carry forward for the corporate Holdings is recognized and compensated with deferred tax liabilities for the same amount.

In the course of its assessments, Management determines the carrying amount of its net deferred tax assets, recognized. Based on the 2024-2028 business plan which served as the basis of the refinancing process, the Cleaning division occurred as the sole profit contributor over the five years horizon. Therefore, previously recognized deferred tax assets on LFA and Security have been written off for €(19.7) million.

Deferred tax liabilities included as at December 31, 2023 mainly relates to hyperinflation revaluation impacts on Türkiye fixed assets.

5.5.2. Recovery periods for deferred tax assets

in millions of euros	Recovery within 2 years	Recovery in 3 to 5 years	Recovery in more than 5 years"	Total
Deferred tax assets	10.9	19.8	6.1	36.8

The recovery periods for deferred tax assets are based on the Group's taxable profit forecasts at December 31, 2023.

5.5.3. Tax base of unrecognized deferred tax assets

The increase in unrecognized deferred tax assets base is related to the write off of €19.7 million previously recognized deferred tax assets on €76 million tax loss carry forwards, and to €63 million losses pertaining to 2023.

in millions of euros	December 31, 2023	December 31, 2022
France	256.2	108.4
International	108.4	88.9
TOTAL	364.6	197.3

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 recognized when the cost of an item of inventory falls below its realizable value.

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

in millions of euros	December 31, 2023 Gross	Depreciation	Net	December 31, 2022 Gross	Depreciation	Net
Raw materials/supplies and finished products	4.9	(0.3)	**4.5**	3.9	(0.3)	**3.5**
Work-in-progress	-	-	**-**	0.7	-	**0.7**
TOTAL	4.9	(0.3)	4.5	4.5	(0.3)	4.2

6.2. ADVANCES TO SUPPLIERS

in millions of euros	December 31, 2023 Gross	Depreciation	Net	December 31, 2022 Gross	Depreciation	Net
Advance payments to suppliers	2.2		**2.2**	6.4		**6.4**
TOTAL	2.2		2.2	6.4		6.4

The prepayments are mainly related to Atalian's France cleaning division.

6.3. TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognized 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 recognized 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), factoring receivables are derecognized when all the risks and rewards of ownership are transferred to the factoring companies.

in millions of euros	December 31, 2023 Gross	Depreciation	Net	December 31, 2022 Restated Gross	Depreciation	Net
TRADE RECEIVABLES[1]	239.6	(14.3)	225.4	288.9	(15.1)	273.7
OTHER RECEIVABLES:	104.5	-	104.5	88.1	-	88.1
Employees	1.4		1.4	1.5		1.5
Social security bodies	0.9		0.9	1.4		1.4
Tax other than on income	58.0		58.0	44.8		44.8
Total Other operating receivables	60.4	-	60.4	47.7	-	47.7
Accrued Rebates from Suppliers	9.8		9.8	7.9		7.9
Other receivables	22.9		22.9	19.3		19.3
Prepaid expenses	11.3		11.3	13.1		13.1
TOTAL TRADE AND OTHER RECEIVABLES	344.1	(14.3)	329.9	376.9	(15.1)	361.8

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

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

Depreciation

in millions of euros	December 31, 2023	December 31, 2022
DEPRECIATION ON TRADE RECEIVABLES	(14.3)	(15.1)
France	(6.8)	(5.9)
International	(5.4)	(7.5)
Corporate Holdings	(2.0)	(1.7)

6.4. BREAKDOWN OF TRADE RECEIVABLES GROSS AMOUNT BETWEEN AMOUNTS PAST DUE AND AMOUNTS NOT PAST DUE AT DECEMBER 31, 2023

in millions of euros	Amounts not past due	Amounts past due < 12 months	Amounts past due > 12 months	Total
Trade receivables (gross)	333.7	52.5	-	**386.1**
TOTAL TRADE RECEIVABLES (GROSS)	333.7	52.5	-	386.1

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.

in millions of euros	December 31, 2023			December 31, 2022 Restated		
	Gross	Impairment	Net	Gross	Impairment	Net
Cash	559.2		**559.2**	64.9		**64.9**
Marketable securities	2.5		**2.5**	0.3		**0.3**
TOTAL CASH AND CASH EQUIVALENTS	561.8		561.8	65.2	-	65.2

The Group's cash and cash equivalents are primarily in euros.

At December 31, 2023, cash and cash equivalent that are not available for use by the Group (restricted cash) amounted to €4.5 million, mainly due to countries regulations (which mainly consist of €1.7 million for Russia, and €0.8 million for Myanmar) and to cash collateral in France and in the US for €1.6 million.

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

NOTE 7
EQUITY

7.1. SHARE CAPITAL AND SHARE CAPITAL PREMIUM

	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

	December 31, 2022	Decrease	Increase	December 31, 2023
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

7.2. TRANSACTIONS RECOGNIZED DIRECTLY IN EQUITY

The main currency translation differences at December 31, 2023, 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, 2022	Change	December 31, 2023
Czech koruna	1.0	(0.6)	0.4
Indonesian rupiah	(0.5)	0.5	-
Turkish lira	(6.2)	(1.2)	(7.3)
Malaysian ringgit	(3.3)	3.3	-
US dollar	3.2	3.1	6.3
Pound sterling	(9.6)	9.6	-
Singapore dollar	(0.8)	0.8	(0.1)
Russian Ruble	0.5	-	0.5
Others	8.2	(18.1)	(9.8)
FOREIGN EXCHANGE RESERVES	(7.4)	(2.6)	(10.1)
OTHER COMPREHENSIVE INCOME	(2.4)	(4.7)	(7.0)
FOREIGN EXCHANGE RESERVES & OTHER COMPREHENSIVE INCOME	(9.8)	(7.3)	(17.1)

The €(4.7) million variation in "Other comprehensive income" is mainly driven by the actuarial gains and losses evolution due to changes in financial assumptions and experience (gains)&losses in France for €(4.2) million and Türkiye for €(1.1) million.

NOTE 8
PROVISIONS

8.1. PROVISIONS RELATED TO PENSIONS AND OTHER EMPLOYEE BENEFIT OBLIGATIONS

8.1.1. Provisions related to pensions

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.

Provisions related to Employment benefits are 'Post retirement pension plans' mainly in France and 'Other long term benefit plans' in Türkiye.

The evolution of Group's provisions between 2022 and 2023 is an increase from €23.9 to €29.9 million which includes the recognition of the Turkish pension plan obligation and catch up on obligations linked to the strict application of collective agreement in France.

Retirement benefits (IFC) scheme in France

In accordance with IAS 19, the Group recognizes a provision of €29.9 million related to the retirement indemnities receivable by employees on the day of their retirement which are not covered by insurance policies. It represents 96% 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 recognized in equity.

Mains actuarial assumptions used in 2023 are:

France		As of December 31, 2023	As of December 31, 2022
Discount rate*		3.20%	3.75%
Salary increase rate (including inflation rate)	White collars	3.0%	2.7%
	Blue collars**	2.2%	2.2%
Life expectancy		INSEE 2017-2019	INSEE 2016-2018

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

CHANGE IN NET AMOUNT RECOGNIZED in millions of euros	France	Other countries	Total as of December 31, 2023	Total as of December 31, 2022
NET AMOUNT RECOGNIZED AT THE BEGINNING OF PERIOD	23.8	0.1	23.9	27.2
Reclassification of Turkish plan from "Other employment Benefits "		1.0	1.0	
Amounts Recognized in Profit and Loss	**2.6**	**0.5**	**3.1**	**-**
Current Service Cost	1.4	0.1	1.5	1.6
Interest Cost on DBO	0.8	0.2	1.0	0.2
Past Service Cost	0.4	0.2	0.7	(1.8)
Settlement loss (gain) / Termination benefits	-	-	-	
Amounts Recognized in Other Comprehensive Income (OCI)	**4.1**	**1.5**	**5.5**	**(0.1)**
Actuarial gains and losses pertaining to:	4.1	1.5	5.5	(0.1)
- changes in demographic assumptions	-	0.1	0.1	
- changes in financial assumptions	2.3	0.1	2.4	
- experience (gains) losses arising during the year	1.7	1.3	3.1	
- other	-	-	-	-
Others	**(1.7)**	**(1.9)**	**(3.7)**	**(3.3)**
Actual direct benefit payments	(1.7)	(1.5)	(3.2)	(1.5)
Effect of acquisitions/disposals	-	-	-	(1.8)
Others	-	(0.5)	(0.5)	
NET AMOUNT RECOGNIZED AT THE END OF PERIOD	28.7	1.2	29.9	23.9

CHANGE IN BENEFIT OBLIGATION in millions of euros	France	Other countries	Total as of December 31, 2023	Total as of December 31, 2022
PROJECTED BENEFIT OBLIGATION AT BEGINNING OF PERIOD	23.8	0.1	23.9	30.0
Reclassification of Turkish plan from "Other employment Benefits "		1.0	1.0	
Cost (Income) Included in P&L	2.6	0.5	3.1	-
Remeasurements recognized in OCI	4.1	1.5	5.5	0.1
Actual direct benefit payments	(1.7)	(1.5)	(3.2)	(1.5)
Effect of acquisitions/disposals	-	-	-	(4.7)
Others	-	(0.5)	(0.5)	
PROJECTED BENEFIT OBLIGATION AT END OF PERIOD	28.7	1.2	29.9	23.9

EXPECTED BENEFIT PAYMENT	FRANCE
2024	5.4
2025	2.2
2026	1.7
2027	2.1
2028	4.0
2029/2033	11.8
TOTAL	27.1

SENSITIVITY ANALYSIS

The effect of a +/- 0.25% change in the discount rate on the 2023 Defined Benefit Obligations (DBO) in France is as follows:

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

8.1.2. Provisions related to other employee benefits

The evolution of Group's provisions related to other employee benefits between 2022 and 2023 is a decrease from €10.4 million to €7.3 million.

8.2. PROVISIONS

In accordance with IAS 37 a provision is recognized 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 labor related cases	Other	TOTAL
DECEMBER 31, 2021	13.3	47.3	60.6
Currency Translation differences	(0.1)	(0.2)	(0.3)
Transfer and other movements	(0.1)	-	(0.1)
Changes in Group structure	(0.1)	(11.8)	(12.0)
Allowances	4.6	5.5	10.2
Releases	(6.7)	(24.6)	(31.3)
Impact assets held for sale and discontinued operations	-	(1.0)	(1.0)
DECEMBER 31, 2022	11.0	15.1	26.1
Currency Translation differences	(0.2)	(0.2)	(0.3)
Transfer and other movements	-	0.2	0.2
Changes in Group structure	-	0.2	0.2
Allowances	5.5	19.4	24.9
Releases	(4.7)	(5.3)	(10.0)
DECEMBER 31, 2023	11.5	29.5	41.0

Following split is provided by CGU or Group of CGUs.

A €12.6 million allowance has been booked in accordance with new rules applicable for paid holidays accruals on sick leaves, out of which €9.4 million relating to prior years has been classified in Other expenses (Note 4).

in millions of euros	Legal and labor related cases	Other	TOTAL
France	10.6	20.2	30.8
International	0.7	7.1	7.8
Corporate Holdings	0.3	2.2	2.5
DECEMBER 31, 2023	11.5	29.5	41.0

in millions of euros	Releases	Allowances
France	(7.1)	19.2
International	(2.3)	4.6
Corporate Holdings	(0.7)	1.1
DECEMBER 31, 2023	(10.0)	24.9

NOTE 9
LONG- AND SHORT-TERM FINANCIAL LIABILITIES

9.1. BREAKDOWN OF INTEREST-BEARING BORROWINGS BY MATURITY

	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, 2023
Bonds	628.4	608.9	-	1,237.3
Finance lease liabilities	31.1	42.6	8.2	81.9
Factoring loans	26.2	-	-	26.2
Other borrowings and financial liabilities	0.4	5.9	-	6.3
TOTAL INTERESTS-BEARING BORROWINGS	686.0	657.4	8.2	1,351.6

The Group had a revolving credit facility of €103.0 million maturing in April 2023. As of December 31, 2023 the RCF was fully reimbursed.

On 5 May 2017, the Group issued a €625.0 million bond maturing on May 15th 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 May 15th 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, 2023, in the course of the refinancing process the tests were not performed.

9.2. CONFIRMED CREDIT LINES

in millions of euros	Confirmed lines	Utilized lines
Bonds*	1,237.3	1,237.3
Bank borrowings	3.5	3.5
Factoring loans**	250.0	186.8
TOTAL	1,490.8	1,427.6

*Principal including issuance costs Accrued coupon €4.9 million included. Based on average market value as of December 31, 2023 the fair value would amount to €951 million.
** All immediate financing from de-recognized factoring contracts.

9.3. 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.

The following countries are currently included in the program: France, Belgium, Czech Republic, Poland, the Netherlands, Croatia, Hungary and Romania.

As at December 31, 2023, all of these contracts involved the transfer of part or of all the risks and rewards of ownership of the receivables concerned to the factoring companies, enabling a major part of sold receivables to be derecognized. The amount of the derecognized receivables totaled €213.7 million at the year-end, providing the Group with €186.8 million of immediate financing with the difference corresponding to €10.6 million of factor current account and €16.3 million of security deposit. The amount of immediate financing provided by deconsolidated receivables was €140.2 million as of December 31, 2022 restated.

In addition, as at December 31, 2023, the Group benefitted from €26.2 million of immediate financing provided by the sale of non-derecognized receivables. The amount of immediate financing provided by non-derecognized receivables was €26.9 million as of December 31, 2022 restated.

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 FINANCIAL DEBT

in millions of euros	December 31, 2022 Restated	Increase	Decrease	Changes in Group structure	Other movements	Currency translation differences	December 31, 2023
Bonds	1,222.4	0.3	-	-	9.3	5.3	**1,237.3**
RCF	103.0	-	(103.0)	-	-	-	**-**
Finance lease liabilities	96.9	50.5	(46.8)	(0.9)	(16.8)	(1.0)	**81.9**
Factoring loans	26.9	-	(0.7)	-	-	-	**26.2**
Other borrowings and financial liabilities	1.1	6.9	(2.4)	6.6	(2.6)	(3.2)	**6.3**
TOTAL INTERESTS-BEARING BORROWINGS	**1,450.2**	**57.6**	**(152.9)**	**5.8**	**(10.2)**	**1.1**	**1,351.6**
Financial instruments	1.5	-	-	-	(0.9)	-	**0.6**
GROSS DEBT INCL. FINANCIAL INSTRUMENT	**1,451.8**	**57.6**	**(152.9)**	**5.8**	**(11.7)**	**1.1**	**1,352.2**

The RCF has been fully reimbursed at December 31st 2023 for €103 million.
Factoring loans represent the recourse part of the program.
Other movements from finance lease liabilities consists of terminated contracts, out of which €7.5 million for Us operations and €2.8 million for Ampère building lease termination.

NOTE 10
CHANGES IN NET DEBT

in millions of euros	December 31, 2023	December 31, 2022 Restated
Cash and cash equivalents*	561.8	65.2
Short-term bank loans and overdrafts**	(0.7)	(10.1)
NET CASH AND CASH EQUIVALENTS	**561.1**	**55.1**
Non-current financial liabilities	(665.6)	(1,282.0)
of which debts from leasing	*(50.8)*	*(62.1)*
Current financial liabilities	(686.0)	(168.3)
of which debts from leasing	*(31.1)*	*(34.8)*
GROSS DEBT	**(1,351.6)**	**(1,450.2)**
Financial instrument (liability)	(0.6)	(1.5)
DEBT	**(1,352.2)**	**(1,451.8)**
NET DEBT	**(791.1)**	**(1,396.7)**

**Cash and cash equivalents as analyzed in the cash flow statement*
*** Only overdrafts as of December, 31 2023 in compliance with IAS 7.8.*

Net debt after adding back immediate financing provided by the derecognized factoring contracts of €186.8 million as of December 31, 2023 (and €140.2 million as of December 31, 2022 restated) would amount to €(977.9) million as of December 31, 2023 (and €(1,536.9) million as of December 31, 2022).

NOTE 11
CURRENT LIABILITIES

11.1. OTHER CURRENT LIABILITIES

in millions of euros	December 31, 2023	December 31, 2022
PREPAYMENTS FROM CUSTOMERS	1.7	13.8
TRADE PAYABLES	180.0	209.7
CURRENT TAX LIABILITIES	4.0	5.7
OTHER CURRENT LIABILITIES	406.1	390.8
Employee-related liabilities	*157.0*	*154.7*
Social Security payables	*89.6*	*96.8*
Other accrued taxes	*111.7*	*102.1*
Other current payables	*39.6*	*31.1*
Deferred income	*8.1*	*6.1*

Customer prepayments

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

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 €0.7 million at December 31, 2023 compared with €10.1 million at December 31, 2022. 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:

- Net Financial debt costs, which include interest paid on the Group's borrowings and interest received on available cash.
- Other financial income and expenses.
- The "Income from cash and cash equivalent" for €16.6 million mostly pertains to interests investment of sales proceeds to CD&R at circa 3.4% for the euro part and 4.7% for the GBP part from March to December 2023.

12.1. BREAKDOWN OF NET FINANCE DEBTS COST

in millions of euros	December 31, 2023	December 31, 2022 IFRS5
Financial expenses	(89.8)	(80.9)
Financial income	18.4	0.5
NET FINANCIAL DEBT COST	(71.4)	(80.4)
Analysis:		
– Net interest on borrowings	(61.2)	(60.4)
– Income from cash and cash equivalents	16.6	0.2
– Interest on leases	(5.7)	(6.8)
- Interests & bank charges on factoring	(11.8)	(5.1)
- Others	(9.3)	(8.4)
TOTAL	(71.4)	(80.4)

12.2. BREAKDOWN OF OTHER FINANCIAL INCOME AND EXPENSES

in millions of euros	December 31, 2023	December 31, 2022 IFRS5
Net (additions to)/reversals of provisions for financial items	(0.6)	(4.2)
Foreign exchange gains and losses	(0.5)	(7.3)
Other	1.5	1.6
OTHER FINANCIAL INCOME AND EXPENSES	0.4	(9.9)

The line Other includes the impact of hyperinflation IAS 29 accounting treatment in Türkiye for €1.9 million as of December 31, 2022 and €(0.9) million as of December 31, 2023.

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: €4 million for the Group as a whole as at December 31, 2023.

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, 2023
Tangible assets excluding Right-of-use	25.4
Right-of-use	78.6
Intangible assets	14.8

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, 2022	72.2	57.4	57.3	1.5	188.4
Currency Translation differences	(0.3)	(0.4)	(0.8)	-	(1.5)
Modifications and reassessments on leases	(20.2)	(9.8)	(11.0)	(0.1)	(41.0)
Changes in Group structure	(1.8)	(0.8)	-	-	(2.6)
Acquisitions	13.7	20.6	15.8	0.4	50.5
Disposals, reductions and others	(0.8)	(0.3)	(0.4)	(0.1)	(1.6)
Impact assets held for sale and discontinued operations	(0.1)	-	-	-	(0.1)
DECEMBER 31, 2023	62.6	66.7	60.9	1.8	192.0

AMORTIZATION AND IMPAIRMENT in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
DECEMBER 31, 2022	(29.0)	(32.7)	(33.8)	(0.2)	(95.6)
Currency Translation differences	0.1	0.2	0.1	-	0.4
Modifications and reassessments on leases	9.3	7.2	8.9	0.1	25.5
Changes in Group structure	(0.4)	0.1	-	-	(0.3)
Disposals, reductions and others	0.1	0.1	-	-	0.2
Depreciation expense	(10.7)	(17.3)	(15.2)	(0.5)	(43.8)
Impact assets held for sale and discontinued operations	0.1	-	-	-	0.1
DECEMBER 31, 2023	(30.5)	(42.4)	(39.8)	(0.7)	(113.4)

NET in millions of euros	Real estate	Vehicles	Materials & equipment	Others	TOTAL
DECEMBER 31, 2022	43.3	24.7	23.5	1.3	92.8
DECEMBER 31, 2023	32.2	24.3	21.0	1.0	78.6

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 the added value) as an income tax and therefore, to recognize 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, 2023			December 31, 2022		
	France	Other countries	Total	France	Other countries	Total
Current income taxes	(2.4)	(5.5)	(7.9)	(1.8)	(4.4)	(6.2)
Deferred taxes	(18.2)	0.8	(17.4)	(10.8)	(1.7)	(12.6)
CVAE	(4.1)	-	(4.1)	(7.9)	-	(7.9)
TOTAL	(24.7)	(4.7)	(29.4)	(20.5)	(6.1)	(26.7)

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

in millions of euros	December 31, 2023	December 31, 2022
Net income from continuing operations	(102.2)	(185.8)
Income taxes	(29.4)	(30.3)
Pre-tax income excl. Equity entities	(72.9)	(155.5)
French corporate income tax rate	25.83%	25.83%
THEORETICAL TAX EXPENSE	18.8	40.2
Difference between French and foreign income tax rates		(0.3)
Permanent differences	5.2	4.7
Deferred tax written off	(19.7)	
Effect of unrecognized deferred tax assets	(28.1)	(40.3)
Other	0.6	(26.5)
INCOME TAX EXPENSE	(23.2)	(22.2)
Taxes on dividends	(0.8)	
Tax on previous year / Tax penalties ...	(0.5)	
Other taxes	(0.6)	
Tax income/expense related to group tax integration	(0.2)	
Other taxes (CVAE)	(4.1)	(7.9)
TOTAL INCOME TAX EXPENSE	(29.3)	(30.2)

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”).

Effect of unrecognized deferred tax assets of €(47.8) million is relating to losses for the year for €(28.1) million euros and to write off of previously recognized deferred tax assets for €(19.7) million in France.

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	31/12/2023	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Pledges, mortgages and collateral	1.0			1.0
Guarantees and endorsements given	30.5	6.0	24.5	
TOTAL GUARANTEE COMMITMENTS GIVEN	31.5	6.0	24.5	1.0

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
Senior Notes 2024 (issue 2017)	La Financière Atalian	€625 million	Atalian SASU Atalian Europe SA Atalian Propreté

** Amount of the limited guarantee to the portion of the amount of the issue for which the subsidiary concerned has benefited.*

15.2. MISCELLANEOUS CONTRACTUAL COMMITMENTS

in millions of euros	31/12/2023	Due within 1 year	Due in 1 to 5 years	Due beyond 5 years
Commitments from factoring companies*	250	-	250	-
TOTAL MISCELLANEOUS CONTRACTUAL COMMITMENTS RECEIVED	250	-	250	-

**Of which €213.8 million have been utilized*

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, were previously pledged to Atalian SASU’s lenders under the syndicated loan agreement entered into by Atalian SASU for 103.0 million. Following the reimbursement of the RCF loan, the pledge has been removed in August 2023.

NOTE 16
HEADCOUNTS

	December 31, 2023	December 31, 2022
Managers	746	615
Supervisors	5,165	6,201
Other employees	23,619	25,132
TOTAL FRANCE	29,530	31,948
TOTAL INTERNATIONAL	18,574	22,760
TOTAL AVERAGE NUMBER OF EMPLOYEES	48,104	54,708

The FTE (Full Time Equivalent) for the entities (UK, Aktrion, Asia) reported as discontinued activities aren't disclosed for 2022 and 2023.
For International, the reduction of FTE mostly comes from the discontinuation of operations in the USA for which FTE are not disclosed in 2023.

NOTE 17
OTHER NOTES

17.1.BREAKDOWN OF STATUTORY AUDITORS' FEES

2023 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 analyzed as follows.

	December 31, 2023			December 31, 2022		
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	0.2	0.2	**0.4**	0.4	0.4	**0.8**
- Subsidiaries	0.7	1.4	**2.1**	0.5	2.9	**3.4**
Services other than auditing provided by the Statutory Auditors or members of their network*						
- La Financière ATALIAN	0.2	0.8	**1.0**		2.9	**2.9**
- Subsidiaries					0.3	**0.3**
TOTAL	1.1	2.4	3.5	0.9	6.5	7.4
- La Financière ATALIAN	0.4	1.0	**1.4**	0.4	3.3	**3.7**
- Subsidiaries	0.7	1.4	**2.1**	0.4	3.2	**3.6**

** 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 events after December 31, 2023.

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-23	Method of consolidation
FULLY CONSOLIDATED COMPANIES			
FRANCE			
STRUCTURE			
LA FINANCIÈRE ATALIAN	France	100.00	FC
ATALIAN	France	100.00	FC
ATALIAN SERVICES INFORMATIQUES	France	100.00	FC
ATALIAN FACILITIES	France	100.00	FC
SCI SAINT APOLLINAIRE	France	100.00	FC
SCI AMPÈRE LA MAINE	France	100.00	FC
SCI FJ PART INVEST France	France	100.00	FC
CLEANING			
DRX	France	90.50	FC
TNEX	France	90.50	FC
ATALIAN PROPRETÉ	France	90.50	FC
EPPSI	France	90.50	FC
USP NETTOYAGE	France	90.50	FC
CARRARD SERVICES	France	90.50	FC
PROBUS	France	90.50	FC
DPS	France	90.50	FC
FINANCIÈRE DES SERVICES	France	90.50	FC
LIMPA	France	90.50	FC
ATALIAN 3D	France	100.00	FC
SECURITY			
ATALIAN SÉCURITÉ HOLDING	France	100.00	FC
ATALIAN SÉCURITÉ	France	100.00	FC
ATALIAN SÛRETÉ	France	94.84	FC
AIRPORT PASSENGERS & FREIGHT SECURITY	France	94.13	FC
ATALIAN SÉCURITÉ TECHNOLOGIQUE	France	94.84	FC
SURVEILLANCE HUMAINE ATALIAN PREMIUM	France	100.00	FC
APFS LYON	France	94.13	FC
MULTITECHNICAL			
ATALIAN INGÉNIERIE DES SERVICES	France	100.00	FC
MAINTENANCE TECHNIQUE OPTIMISÉE (MTO)	France	100.00	FC
EUROGEM	France	100.00	FC
ETS DIDIER BERNIER	France	100.00	FC
ERGELIS	France	100.00	FC
GROUPE CADIOU	France	100.00	FC
ARCEM	France	100.00	FC
CEI	France	100.00	FC
PPR			
TFN PPR	France	100.00	FC
LETUVE	France	100.00	FC

Companies	Country	% INTEREST Dec-23	Method of consolidation
GERMOT	France	100.00	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 BUIDING 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	96.805	FC
HR - TEHINSPEKT	Croatia	96.81	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-ATALIAN HOLDING sp. Z.o.o.	Poland	100	FC
PL-ATALIAN FM SERVICES sp. Z.o.o.	Poland	100	FC
PL-ATALIAN CLEANING SERVICES sp. Z.o.o.	Poland	100	FC
PL-ATALIAN SERVICE	Poland	100	FC
TR-ATALIAN ENTEGRE TESIS YONETIMI HIZMETLERI A.S	Türkiye	100	FC
TR-EKOL TEKNIK TEMIZLIK BAKIM YÖNETIM HIZMETLERI ve TICARET A.S	Türkiye	100	FC
TR-E GRUP GÜVENLIK HIZMETLERI Ltd. STI	Türkiye	100	FC
TR-EVD ENERGY	Türkiye	100	FC
RU-ATALIAN GLOBAL SERVICES	Russia	98	FC
RU-ATALIAN ENGINIEERING	Russia	98	FC
RU-ESPRO ENGINIEERING	Russia	98	FC
RU-NOVY DOM	Russia	92.12	FC
RU-CLEANING PROFI	Russia	92.12	FC
RU-AFM2	Russia	98	FC

Companies	Country	% INTEREST Dec-23	Method of consolidation
BY - ATALIAN	Belarus	100	FC
RS-ATALIAN LTD BELGRADE	Serbia	100	FC
RS-ATALIAN GLOBAL SERVICES - RS DOO BEOGRAD (ex-MOPEX)	Serbia	100	FC
RS-MOPEX TEKUCE ODRZAVANJE D.o.o.	Serbia	100	FC
BA-ATALIAN GLOBAL SERVICES BH d.o.O. Sarajevo	Bosnia	96.805	FC
BA-ATALIAN GLOBAL SERVICES Banja Luka	Bosnia	96.805	FC
CANADA			
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			
INTERNATIONAL			
USA			
US-ATALIAN GLOBAL SERVICES INC	United States	100	FC
US-ATALIAN US NORTHEAST LLC	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
US-ATALIAN US SHARED SERVICES LLC	United States	100	FC
ASIA			
MM-AGS	Myanmar	70	FC
MM-MYANMAR ASSURANCE Co Ltd	Myanmar	100	FC

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