6

FINANCIAL STATEMENTS

6.1 CONSOLIDATED FINANCIAL STATEMENTS

6.1.1 CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	2022	2021
REVENUE	4.2	**3 783 100**	**2 925 180**
Purchases consumed	**4.4.1**	(438 388)	(308 225)
Employee benefits expense	**4.3.1**	(2 579 418)	(2 026 654)
External charges	**4.4.2**	(251 082)	(182 802)
Other taxes and levies		(11 400)	(13 081)
Depreciation and amortisation charges	**5.2**	(80 744)	(72 469)
Other operating expenses	**4.4.3**	(6 680)	(11 797)
Other operating income	**4.4.3**	4 193	9 713
OPERATING PROFIT ON ACTIVITY		**419 581**	**319 866**
Share-based payments	**4.3.3**	(29 669)	(21 929)
PROFIT FROM CONTINUING OPERATIONS		**389 912**	**297 937**
Other operating expenses	**4.4.4**	(18 575)	(11 386)
Other operating income	**4.4.4**	5 243	1 606
Proceeds from disposal	**2.2**	216 299	0
Impairment of goodwill	**5.1**	0	0
OPERATING PROFIT		**592 879**	**288 157**
Net borrowing costs	**7.3**	(4 589)	(2 952)
Other financial expenses	**7.3**	(12 371)	(12 460)
Other financial income	**7.3**	19 038	13 718
Income tax expense	**9.1**	(137 559)	(78 635)
EARNING OF CONSOLIDATED ENTITIES		**457 398**	**207 828**
Earnings from associates	**5.4**	127	62
NET OVERALL EARNINGS		**457 525**	**207 889**
NON-CONTROLLING INTERESTS		**(42)**	**53**
GROUP SHARE		**457 567**	**207 837**
Earnings per share in euros (Group share)	**6.2**	13,46	6,14
Diluted earnings per share in euros (Group share)	**6.2**	13,21	6,03

6.1.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	Notes	2022	2021
Net income, Group share		457,567	207,837
Net income, non-controlling interest's share		(42)	53
CONSOLIDATE NET INCOME		**457,525**	**207,889**
Translation differences		(10,796)	21,185
ITEMS THAT MAY BE RECLASSIFIED TO INCOME		**(10,796)**	**21,185**
Revaluation of equity instruments held (net of corporate tax)	**5.5**	(12,400)	(5,400)
Actuarial differences on employee benefits (net of income tax)	**4.3.2**	4,195	320
ITEMS THAT MAY NOT BE RECLASSIFIED TO INCOME		**(8,205)**	**(5,080)**
TOTAL INCOME FOR THE PERIOD		**438,525**	**223,994**
Including:			
• Group share		438,567	223,945
• Non-controlling interests		(48)	49

6.1.3 STATEMENT OF FINANCIAL POSITION

ASSETS *(in thousands of euros)*	Notes	31/12/2022	31/12/2021
Goodwill	**5.1**	1,020,857	888,723
Rights of use	**5.2**	227,558	172,233
Intangible assets	**5.3**	7,172	7,594
Property, plant and equipment	**5.3**	45,461	37,813
Interests in associates	**5.4**	1,260	1,180
Non-current financial assets	**5.5**	71,388	57,477
Deferred tax assets	**9.2**	18,941	14,877
NON-CURRENT ASSETS		**1,392,637**	**1,179,897**
Trade receivables	**4.2**	964,135	778,784
Client contract assets	**4.2**	246,087	189,189
Other current assets	**4.2**	122,187	103,385
Current tax assets		40,269	65,968
Cash and cash equivalents	**7.1**	601,735	312,311
CURRENT ASSETS		**1,974,414**	**1,449,636**
TOTAL ASSETS		**3,367,051**	**2,629,533**

LIABILITIES *(in thousands of euros)*	Notes	31/12/2022	31/12/2021
Share capital		36,305	36,098
Additional paid-in capital		60,250	60,250
Consolidated reserves		1,284,779	1,117,241
Consolidated earnings		457 567	207,837
Equity (Group share)		**1,838,901**	**1,421,427**
Non-controlling interests		**(283)**	**(371)**
TOTAL EQUITY		**1,838,618**	**1,421,056**
Post-employment benefits	**4.3.2**	14,833	18,859
Non-current provisions	**8.1**	10,237	8,848
Non-current financial liabilities	**7.2**	3,526	6,393
Non-current lease debt	**5.2**	180,842	130,637
Other non-current liabilities	**4.2**	92,788	120,246
Deferred tax liabilities	**9.2**	913	2,860
NON-CURRENT LIABILITIES		**303,139**	**287,842**
Current provisions	**8.1**	8,003	10,776
Current financial liabilities	**7.2**	180,587	86,482
Current lease debt	**5.2**	57,522	51,971
Trade payables	**4.2**	138,835	126,842
Other current liabilities	**4.2**	568,896	442,742
Client contract liabilities	**4.2**	191,281	168,927
Current tax liabilities		80,170	32,895
CURRENT LIABILITIES		**1,225,294**	**920,636**
TOTAL EQUITY AND LIABILITIES		**3,367,051**	**2,629,533**

6.1.4 STATEMENT OF CONSOLIDATED CASH FLOW

(in thousands of euros)	Notes	2022	2021
Consolidate net income		**457,525**	**207,889**
Earnings from associates	**5.4**	(127)	(62)
Depreciation, provisions and other calculated expenses	**10.3**	86,481	76,862
Share-based payments	**4.3.3**	29,669	21,929
Income tax expense	**9.1**	137,559	78,635
Capital gains or losses from disposals		(220,535)	273
Net borrowing costs	**7.3**	4,589	2,952
Financial cost on update and provisions		801	527
Gross cash flow borrowing costs and tax		**495,962**	**389,006**
Taxes paid	**10.3**	(93,578)	(43,933)
Change in working capital requirements	**4.2**	(161,203)	(113,423)
NET CASH FLOW FROM OPERATING ACTIVITIES		**241,181**	**231,651**
Acquisitions of tangible and intangible assets		(26,123)	(16,596)
Acquisitions of financial assets		(12,264)	(3,238)
Impact of changes in scope and earn outs	**10.3**	87,437	(104,548)
Disposals of tangible and intangible assets		103	342
Disposals of financial assets		9,022	6,416
NET CASH FLOW FROM INVESTING ACTIVITIES		**58,175**	**(117,624)**
Net financial interest paid		(4,788)	(2,970)
Dividends paid to shareholders		(44,390)	(33,876)
Capital increase		(0)	0
Acquisitions and disposals of treasury shares		(935)	341
Change in non-current financial liabilities	**7.2**	2,959	(6,622)
Change in current financial liabilities		101,219	6,351
Change in lease debt		(63,331)	(55,015)
NET CASH FLOW FROM FINANCING TRANSACTIONS		**(9,265)**	**(91,790)**
CHANGE IN CASH POSITION		**290,091**	**22,236**
Impact of exchange rate variations		(667)	6,651
Cash at beginning of period		312,311	283,424
CASH AT END PERIOD	**7.1**	**601,735**	**312,311**

6.1.5 CHANGE IN CONSOLIDATED SHAREHOLDERS' EQUITY

Change in consolidated equity, Group share

(in thousands of euros)	Number of outstanding shares	Number of shares issued	Capital	Additional paid-in capital	Reserves	Treasury shares	Translation reserves	Earnings	Shareholders' equity
AT 31 DECEMBER 2020	**33,776,746**	**34,240,711**	**35,953**	**60,250**	**1,043,949**	**(9,070)**	**(15,489)**	**98,011**	**1,213,604**
2020 allocation of earnings					98,011			(98,011)	0
Capital increase(1)	138,772	138,772	146		(146)				0
Dividends paid to shareholders					(33,875)				(33,875)
Other changes(2)					(83)				(83)
Treasury shares	3,825					341			341
Share-based payments					17,494				17,494
Transactions with shareholders	**142,597**	**138,772**	**146**	**0**	**81,402**	**341**	**0**	**(98,011)**	**(16,122)**
Total income for the period					(5 080)		21,188	207,837	223,945
AT 31 DECEMBER 2021	**33,919,343**	**34,379,483**	**36,099**	**60,250**	**1,120,271**	**(8,728)**	**5,700**	**207,837**	**1,421,427**
2021 allocation of earnings					207 837			(207,837)	0
Capital increase(1)	197,043	197,043	207		(207)				0
Dividends paid to shareholders					(44,390)				(44,390)
Other changes(2)					(1,665)				(1,665)
Treasury shares	(7,912)					(935)			(935)
Share-based payments					25,897				25,897
Transactions with shareholders	**189,131**	**197,043**	**207**	**0**	**187,472**	**(935)**	**0**	**(207,837)**	**(21,093)**
Total income for the period					(8,205)		(10,796)	457,567	438,567
AT 31 DECEMBER 2022	**34,108,474**	**34,576,526**	**36,306**	**60,250**	**1,299,538**	**(9,663)**	**(5,096)**	**457,567**	**1,838,901**

(1) Issues of shares linked to Preferred Share and Free Share plans.

(2) Transactions on minority interests.

Change in equity capital, non-controlling interests

(in thousands of euros)	Reserves	Translation reserves	Earnings	Shareholders' equity
AT 31 DECEMBER 2020	**(267)**	**7**	**(224)**	**(484)**
2020 allocation of earnings	(224)		224	0
Change in scope	64			64
Capital increase				0
Total income for the period		(4)	53	49
AT 31 DECEMBER 2021	**(427)**	**3**	**53**	**(371)**
2021 allocation of earnings	53		(53)	0
Change in scope	136			136
Capital increase				0
Total income for the period		(6)	(42)	(48)
AT 31 DECEMBER 2022	**(238)**	**(3)**	**(42)**	**(283)**

6.1.6 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DETAILED SUMMARY OF THE NOTES

NOTE 1 ACCOUNTING PRINCIPLES

ALTEN SA is a French limited company (*Société Anonyme*) with a Board of Directors and registered office at 40 avenue André Morizet in Boulogne-Billancourt (92100).

ALTEN SA's consolidated financial statements include:

- the financial statements for ALTEN SA;
- the financial statements for companies controlled by ALTEN SA and fully consolidated either directly or indirectly;
- interests in associates and joint ventures, consolidated using the equity-accounted method.

The economic unit is referred to as the "ALTEN Group".

The ALTEN Group is the European leader in the Engineering and Technology Consulting (ETC) market. ALTEN carries out design and research projects for the Technical and Information Systems divisions of major clients in the industrial, telecommunications and service sectors.

The consolidated financial statements presented in this Document were approved by the Board of Directors on 26 April 2023 and will be submitted for the approval of the General Meeting of 30 June 2023. They are presented in thousands of euros, unless otherwise indicated.

ALTEN SA's consolidated financial statements included in this Document are published on the internet space dedicated to users of financial statements: http://www.alten.com/fr/investisseurs.

1.1 Applicable accounting standards

In accordance with European Regulation No. 1606/2002 of 19 July 2002, the ALTEN Group's consolidated financial statements at 31 December 2022 were prepared in compliance with international accounting standards as published by the IASB and approved by the European Union on the date these financial statements were prepared. These international standards include IAS (International Accounting Standards), IFRS (International Financial Reporting Standards) and interpretations (SIC and IFRIC).

The accounting principles and rules used to prepare the consolidated financial statements for the year ended 31 December 2022 are identical to those used for the financial year ended 31 December 2021, with the exception of the new standards, amendments, and interpretations mandatory as of 1 January 2022, applied by the Group, which did not have a significant impact, notably:

- IFRS IC decisions concerning the recognition of configuration and customisation costs for software made available in the Cloud under a SaaS contract;
- amendments to IAS 37 relating to loss-making contracts and the notion of costs that relate directly to the contract.

Moreover, the Group did not apply in advance the latest standards, amendments or interpretations published by the IASB and adopted at European level but whose application was not mandatory on 1 January 2022. Their preliminary analyses have not identified at this stage any provisions that are contrary to the Group's current accounting practices.

1.2 Use of estimates and judgements

The preparation of financial statements in accordance with IFRS standards requires that certain estimates and assumptions be made which may affect the amounts shown in these financial statements. These estimates and assessments are continuously made on the basis of past experience and other factors considered reasonable.

The main estimates made by Management when the consolidated financial statements are drawn up relate to the recognition of revenue in fixed-price contracts in the context of the percentage of completion method, the determining of provisions for loss-making contracts and the agent/principal analysis (Note 4.2), the assessment of the recoverable value of the assets in cash-generating units including goodwill and earn-outs (Note 5.1), lease liabilities (5.2), equity instruments held (Note 5.5), deferred taxes (Note 9.2), employee benefits (Note 4.3.2) and provisions (Note 8), share-based payments (Note 4.3.3) and research tax credits.

Management revises these estimates if the circumstances on which they were based change, or in the light of new information or experience. As a result, the estimates applied at 31 December 2022 could be substantively modified at a later stage.

Furthermore, in an uncertain geopolitical environment, the estimates, judgements and assumptions made by the Group in preparing the consolidated financial statements during this period of uncertainty relate more specifically to:

- the assessment of the recoverable value of cash-generating units and in particular goodwill (Note 5.1);
- and, prospects for the use of deferred tax assets (Note 9.2).

The Group also takes into account, to the best of its knowledge, climate risks in its closing assumptions and incorporates their potential impact in its financial statements. The inclusion of these items did not have a significant impact on the Group's financial statements in 2022. See the "Strategy" section of the Universal registration document relating to the Group's climate-related commitments.

NOTE 2 KEY EVENTS AND EVENTS AFTER THE REPORTING PERIOD

2.1 Acquisitions during the financial year

The 2022 financial year was marked by the following acquisitions:

Clevertask (revenue: €12 million; 180 consultants)

On 21 January 2022, ALTEN Europe acquired a group of Spanish companies (plus one in Andorra) specialised in the Cloud and digital transformation.

Volansys (revenue: €12 million; 480 consultants)

On 28 February 2022, ALTEN India and ALTEN Europe acquired an Indian company with two subsidiaries, in the US and Canada, specialised in product Engineering.

Methods (revenue: €110 million; 710 consultants)

On 13 April 2022, ALTEN Europe acquired a group of English companies specialised in Cloud architectures and digital transformation.

Meta PM (revenue: €10 million; 90 consultants)

On 30 June 2022, Program Planning Professionals Australia acquired a group of three Australian companies specialised in project management.

Afour (revenue: €10 million; 295 consultants)

On 31 October 2022, ALTEN Europe and ALTEN Calsoft Labs India acquired the AFOUR group specialising in software product Engineering, comprising two companies in the USA and India.

Iconec (revenue: €20 million; 190 consultants)

Atexis Gmbh acquired in Germany on 22 December 2022 a group of 3 companies specialised in Telecom.

Cortac (revenue: €14 million; 65 consultants)

Program Planning Professionals Inc. acquired a US-based project management company on 1 December 2022.

Qualitance (revenue: €13 million; 300 consultants)

On 30 December 2022, ALTEN Europe acquired a company in Romania specialising in Software Development and IT Consulting.

These last two acquisitions made late in the 2022 financial year will be consolidated in the first half of 2023. The acquisition price is recorded as a non-current financial asset on 31 December 2022 (Note 5.5).

In accordance with accounting principles, the allocation of the acquisition price is ongoing and will be completed within twelve months of the acquisition date.

The revenues of the acquired companies, indicated above, are the latest known corporate figures presented on an annual basis.

In addition to this operational information, the table below presents the total cost of the business combination and the recognised assets and liabilities associated with these acquisitions in the 2022 financial year.

(in millions of euros)	
Cost of business combination (1)	**204.5**
Rights of use	9.9
Intangible assets	0.0
Property, plant and equipment	1.2
Non-current financial assets	0.8
Deferred tax assets	2.1
NON-CURRENT ASSETS	**14.0**
Trade receivables	29.0
Client contract assets	14.4
Other current assets	4.9
Current tax assets	4.7
Cash and cash equivalents	35.0
CURRENT ASSETS	**88.0**
Post-employment benefits	
Non-current provisions	(0.1)
Non-current financial liabilities	(0.5)
Non-current lease debt	(8.1)
Deferred tax liabilities	(0.3)
NON-CURRENT LIABILITIES	**(9.0)**
Non-current financial liabilities	(0.4)
Non-current lease debt	(1.9)
Trade payables	(18.5)
Other current liabilities	(14.1)
Client contract liabilities	(1.0)
Current tax liabilities	(3.0)
CURRENT LIABILITIES	**(38.9)**
TOTAL NET ASSETS (2)	**54.1**
GOODWILL = (1) - (2)	**150.4**

2.2 Other key events

At the end of the year, the Group finalised the sale of a non-strategic business line in the field of Agile software consulting and distribution, consisting mainly of the disposal of legal entities present in the US and the UK. This sale generated proceeds on disposal of €216.3 million. This division had a headcount of 550 consultants at the end of December 2022 and generated a contributing revenue of €147.1 million in 2022.

During the first half of the year, and for the financial year ended on 31 December 2021, €41.1 million of dividends were paid to ALTEN SA shareholders.

ALTEN SA signed a syndicated loan agreement for an amount of €350 million, in force since 11 March 2022 and until 2027, aimed at replacing a syndicated credit line for an amount of €160 million, which was terminated early and voluntarily on 24 January 2022, *i.e.* two months before maturity (Note 7.2).

The ALTEN Group's exposure to the consequences of the conflict in Ukraine is marginal:

- the Group has a legal entity in Ukraine which generated revenue of €5.5 million in 2022. The activities of this company were sold at the end of the financial year as part of the disposal of the Agile activities. The net residual assets amounted to €1.5 million at 31 December 2022;
- the Group also has an Oil & Gas branch in Russia which was phased out in 2022: it achieved revenue of €8.3 million in 2022 and €25 million in 2021. The net assets of this branch were €1.3 million at 31 December 2022.

2.3 Events after the reporting period

To accelerate its development and strengthen its position in strategic sectors and activities, the Group is pursuing its targeted external growth strategy. In Canada and the United States, in February 2023 the Group acquired a group of companies specialising in software quality Engineering (revenue: €20 million; 160 consultants).

NOTE 3 SCOPE OF CONSOLIDATION

Consolidation principles

The **full consolidation** method is used for the consolidation of the financial statements of the companies in which ALTEN SA exercises direct or indirect control. Control of a company exists when the Group:

- holds power over the Company;
- is exposed or entitled to variable yields by virtue of its links with the Company;
- has the capacity to exercise its power over the Company's activities considered to be relevant in such a way as to influence the amount of yield it obtains.

All the transactions between the consolidated subsidiaries are eliminated, as are the Group's internal results. The results of the subsidiaries acquired are consolidated from the date on which the control is exercised.

The ALTEN Group exercises notable influence in certain entities, which is characterised by the power to participate in decisions on the Company's financial and operational policies, without controlling or jointly controlling these policies. Investments in these entities, known as associates, are recognised using the **equity-accounted** method and are presented distinctly under "Interests in associates". Goodwill relating to the acquisition of associates is included in the value of "Interests in associates".

Profit from these investments attributable to owners of the parent is recognised separately in the income statement. The investment is initially entered at the cost price and then after the acquisition, the book value is:

- increased or decreased to account for the share of income of the associate;
- reduced by the dividends paid to the Group by the associate.

Business combinations

Business combinations are entered according to the acquisition method:

- the cost of an acquisition is measured at the fair value of the consideration transferred, including any earn out as of the date of the takeover;
- if the Group owes conditional payments to the transferring party and earn outs in particular, these are included in the costs of the business combination. These debts are valued at their fair value based on non-measurable data (level 3). Any change in the fair value of these debts after the allocation period (one-year period as from the date of acquisition) is reported in earnings;
- the goodwill recognised under assets in the statement of financial position corresponds to the difference between the consideration transferred and the fair value of the identifiable assets acquired and liabilities assumed as of the takeover date;
- the adjustments to the fair value of identifiable assets acquired and of liabilities assumed, recorded on a provisional basis (due to audit processes and additional reviews still in progress at the reporting date), are recognised as retrospective goodwill adjustments if they take place during a 12-month allocation period, and if they are the result of existing factors and circumstances at the date of acquisition. Beyond this period, the effects are recognised directly through profit or loss.

Goodwill is allocated to Cash-Generating Units (CGU) or to groups of Cash-Generating Units that can benefit from business combinations that led to Goodwill.

In the absence of a change of control, the variation in transactions relating to non-controlling interests is recognised under shareholders' equity.

Translation methods

The items included in the financial statements of each of the Group's entities are valued according to the currency of the main economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in euros, the parent company's functional currency.

The financial statements of companies whose currency is not the euro are converted according to the following principles:

- statement of financial position items (with the exception of equity) are translated at closing rates;
- equity is translated at the historical rate;
- the income statement is translated using the average rate for the period. This average rate is an approximation of the rate on the transaction date, provided that there are no major fluctuations;
- translation differences are recognised in other comprehensive income under "translation differences".

Transactions made by a company in a currency other than its functional currency are converted at the exchange rate in force at the time of the transaction. Monetary assets and liabilities expressed in foreign currencies are converted at the closing price. Non-monetary assets and liabilities expressed in foreign currencies are recognised at the historic price applicable on the date of the transaction. Exchange differences resulting from the conversion of transactions in foreign currencies are included in the income statement.

Certain loans and borrowings denominated in foreign currencies are considered to be net investments in a subsidiary whose functional currency is not the euro, when the repayment is not reasonably likely in the foreseeable future. The exchange differences regarding these loans and borrowings are recognised in other comprehensive income, under translation differences.

3.1 List of companies in the scope of consolidation

The two tables show the scope of consolidation respectively for France and International. The main changes compared to the previous financial year relate to the acquisitions made during the period, but also the rationalisation and simplification of the Group's organisation chart carried out by means of mergers and the disposal of the Agile division.

France

		31/12/2022			31/12/2021		
Company name	**SIRET N°**	**Basis of consolidation ***	**% interest**	**% control**	**Basis of consolidation ***	**% interest**	**% control**
ALTEN SA	34860741700055	FC	Consolidating		FC	Consolidating	
ALTEN SIR	40035788500021	FC	100.00	100.00	FC	100.00	100.00
ALTEN SUD-OUEST	40419144700048	FC	100.00	100.00	FC	100.00	100.00
MI-GSO	42288376900222	FC	100.00	100.00	FC	100.00	100.00
ALTEN CASH MANAGEMENT	48011617700019	FC	100.00	100.00	FC	100.00	100.00
ALTEN EUROPE	48016830100012	FC	100.00	100.00	FC	100.00	100.00
ATEXIS FRANCE	43904555000019	FC	100.00	100.00	FC	100.00	100.00
ALTEN AEROSPACE	48761023100019	FC	100.00	100.00	FC	100.00	100.00
AVENIR CONSEIL	40246017400038	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY	49304667600018	FC	100.00	100.00	FC	100.00	100.00
HPTI	49967035400012	FC	100.00	100.00	FC	100.00	100.00
LINCOLN	37934230600063	FC	100.00	100.00	FC	100.00	100.00
AIXIAL	75210813400020	FC	100.00	100.00	FC	100.00	100.00
HPA	80160860500011	FC	100.00	100.00	FC	100.00	100.00
AIXIAL DEVELOPMENT	80405155500014	FC	100.00	100.00	FC	100.00	100.00
ALTEN LIFE SCIENCES HOLDING	80863080000015	FC	100.00	100.00	FC	100.00	100.00
ALTEN TECHNOLOGIES	80863082600010	FC	100.00	100.00	FC	100.00	100.00
HUBSAN	80946486000018	FC	100.00	100.00	FC	100.00	100.00
CADUCEUM	79934031000033	FC	100.00	100.00	FC	100.00	100.00
EQUITECH	82443936800013	FC	90.00	90.00	FC	90.00	90.00
ALT 11	88983833000013	FC	100.00	100.00	FC	100.00	100.00
UNIWARE GLOBAL SERVICES	52762706100023	FC	100.00	100.00	FC	100.00	100.00
ALTENWARE	82451104200015	FC	100.00	100.00	FC	100.00	100.00
FINAXIUM	53255205600055	FC	100.00	100.00	FC	100.00	100.00
NEXEO ASSURANCE	80967624000025	-	-	-	FC	100.00	100.00
NEXEO CONSULTING HOLDING	48077850500044	FC	100.00	100.00	FC	100.00	100.00
CMED SAS	88474172900013	FC	100.00	100.00	-	-	-

** FC = Full Consolidation/EM = Equity-accounted Method.*

International

		31/12/2022			31/12/2021		
Company name	**Country of operation**	**Basis of consolidation ***	**% interest**	**% control**	**Basis of consolidation ***	**% interest**	**% control**
MI-GSO GMBH	Germany	FC	100.00	100.00	FC	100.00	100.00
ALTEN TECHNOLOGY GMBH	Germany	FC	100.00	100.00	FC	100.00	100.00
ATEXIS GMBH	Germany	FC	100.00	100.00	FC	100.00	100.00
ALTEN GMBH	Germany	FC	100.00	100.00	FC	100.00	100.00
ALTEN SW GMBH	Germany	-	-	-	FC	100.00	100.00
BEONE GROUP GMBH	Germany	FC	100.00	100.00	FC	100.00	100.00
BEONE STUTTGART	Germany	EM	59.00	59.00	EM	59.00	59.00
AIXIAL GMBH	Germany	FC	100.00	100.00	FC	100.00	100.00
QUICK RELEASE GMBH	Germany	FC	100.00	100.00	FC	100.00	100.00
DYNAMIC ENGINEERING GMBH	Germany	FC	70.00	70.00	FC	70.00	70.00
OSB AG	Germany	FC	100.00	100.00	FC	100.00	100.00
EEINS GMBH	Germany	FC	100.00	100.00	FC	100.00	100.00
ICONEC GMBH	Germany	FC	100.00	100.00	-	-	-
EXPOND GMBH	Germany	FC	100.00	100.00	-	-	-
CLEVERTASK ANDORRA, SLU	Andorra	FC	100.00	100.00	-	-	-
PROGRAM PLANNING PROFESSIONALS PTY LTD	Australia	FC	100.00	100.00	FC	100.00	100.00
QUICK RELEASE AUSTRALIA PTY	Australia	FC	100.00	100.00	FC	100.00	100.00
META CONSULTING GROUP PTY LTD	Australia	FC	100.00	100.00	-	-	-
META PM PTY LTD	Australia	FC	100.00	100.00	-	-	-
META PM LEARNING PTY LTD	Australia	FC	100.00	100.00	-	-	-
ALTEN AUSTRIA SUD	Austria	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY AZERBAIDJAN	Azerbaijan	FC	100.00	100.00	FC	100.00	100.00
ALTEN BELGIUM	Belgium	FC	100.00	100.00	FC	100.00	100.00
AIXIAL SPRL	Belgium	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY BELGIUM	Belgium	FC	100.00	100.00	FC	100.00	100.00
NEXEO BELGIUM	Belgium	FC	100.00	100.00	FC	100.00	100.00
ALTEN CANADA	Canada	FC	100.00	100.00	FC	100.00	100.00
PROGRAM PLANNING PROFESSIONALS CANADA	Canada	FC	100.00	100.00	FC	100.00	100.00
PROEX	Canada	FC	100.00	100.00	FC	100.00	100.00
VOLANSYS CANADA INC	Canada	FC	100.00	100.00	-	-	-
ALTEN CHINA	China	FC	100.00	100.00	FC	100.00	100.00
NUO DAI BUSINESS CONSULTING	China	FC	100.00	100.00	FC	100.00	100.00
BEIJING LZT INFO TECHNOLOGY	China	FC	100.00	100.00	FC	100.00	100.00
DALIAN LZT INFO TECHNOLOGY	China	FC	100.00	100.00	FC	100.00	100.00
JINAN LZT INFO TECHNOLOGY	China	FC	100.00	100.00	FC	100.00	100.00
AP AUTOMOTIVE ENGINEERING	China	FC	100.00	100.00	FC	100.00	100.00
CIENET COMMUNICATIONS BEIJING CO LTD	China	FC	100.00	100.00	FC	100.00	100.00
CIENET TECHNOLOGIES BEIJING CO LTD	China	FC	100.00	100.00	FC	100.00	100.00
CIENET TECHNOLOGIES CHENGDU CO LTD	China	FC	100.00	100.00	FC	100.00	100.00
CIENET TECHNOLOGIES NANJING CO LTD	China	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY CONGO	Congo	FC	100.00	100.00	FC	100.00	100.00
AP SOLUTIONS	South Korea	FC	100.00	100.00	FC	100.00	100.00
LARIX AS	Denmark	FC	100.00	100.00	FC	100.00	100.00
ALTEN DANMARK	Denmark	FC	100.00	100.00	-	-	-
ANOTECH ENERGY DOHA	Qatar	FC	100.00	100.00	FC	100.00	100.00

		31/12/2022			31/12/2021		
Company name	Country of operation	Basis of consolidation *	% interest	% control	Basis of consolidation *	% interest	% control
SDG MIDDLE EAST FOR CONSULTING	Egypt	FC	100.00	100.00	FC	100.00	100.00
SDG GULF FZ	United Arab Emirates	FC	100.00	100.00	FC	100.00	100.00
ALTEN SPAIN	Spain	FC	100.00	100.00	FC	100.00	100.00
ATEXIS SPAIN	Spain	FC	100.00	100.00	FC	100.00	100.00
MI GSO EMP SPAIN	Spain	FC	100.00	100.00	FC	100.00	100.00
AVENIR CONSEIL FORMATION SPAIN	Spain	FC	100.00	100.00	FC	100.00	100.00
OPTIMISSA SERVICIOS PROFESIONALES	Spain	FC	100.00	100.00	FC	100.00	100.00
SDG CONSULTING ESPAÑA	Spain	FC	100.00	100.00	FC	100.00	100.00
ADC SPAIN	Spain	FC	100.00	100.00	-	-	-
CLEVERTASK SOLUTIONS SL	Spain	FC	100.00	100.00	-	-	-
ALTEN USA	United States	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY USA	United States	FC	100.00	100.00	FC	100.00	100.00
ALTEN TECHNOLOGY USA	United States	FC	100.00	100.00	FC	100.00	100.00
X-DIN INC	United States	FC	100.00	100.00	FC	100.00	100.00
CALSOFT LABS INC	United States	FC	100.00	100.00	FC	100.00	100.00
PROGRAM PLANNING PROFESSIONALS INC	United States	FC	100.00	100.00	FC	100.00	100.00
CPRIME	United States	-	-	-	FC	100.00	100.00
PVR TECHNOLOGIES INC	United States	FC	100.00	100.00	FC	100.00	100.00
STATMINDS LLC	United States	FC	100.00	100.00	FC	100.00	100.00
SYNCRONESS INC	United States	-	-	-	FC	100.00	100.00
QUICK RELEASE INC	United States	FC	100.00	100.00	FC	100.00	100.00
SDG CONSULTING US	United States	FC	100.00	100.00	FC	100.00	100.00
CMED INC	United States	FC	100.00	100.00	FC	100.00	100.00
CIENET INTERNATIONAL LLC	United States	FC	100.00	100.00	FC	100.00	100.00
CIENET TECHNOLOGIES LLC	United States	FC	100.00	100.00	FC	100.00	100.00
VOLANSYS LLC	United States	FC	100.00	100.00	-	-	-
AFOUR TECHNOLOGIES INC	United States	FC	100.00	100.00	-	-	-
ALTEN FINLAND OYE	Finland	FC	100.00	100.00	FC	100.00	100.00
COMIQ GROUP OY	Finland	-	-	-	FC	100.00	100.00
COMIQ OY	Finland	-	-	-	FC	100.00	100.00
RADTAC OY	Finland	-	-	-	FC	100.00	100.00
ANOTECH ENERGY GLOBAL SOLUTION	Great Britain	FC	100.00	100.00	FC	100.00	100.00
ALTEN LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00
PROGRAM PLANNING PROFESSIONALS LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00
CALSOFT LABS UK PRIVATE LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY SERVICES	Great Britain	-	-	-	FC	80.00	80,00
OPTIMISSA LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00
QUITE REFRESHING LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00
QUICK RELEASE AUTOMOTIVE LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00
SDG CONSULTING UK & IRELAND	Great Britain	FC	100.00	100.00	FC	100.00	100.00
CPRIME UK	Great Britain	FC	100.00	100.00	FC	100.00	100.00
RADTAC HOLDINGS LIMITED	Great Britain	-	-	-	FC	100.00	100.00
RADTAC LIMITED	Great Britain	-	-	-	FC	100.00	100.00
CMED GROUP LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00

		31/12/2022			31/12/2021		
Company name	Country of operation	Basis of consolidation *	% interest	% control	Basis of consolidation *	% interest	% control
CMED LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00
CMED TECHNOLOGY LTD	Great Britain	FC	100.00	100.00	FC	100.00	100.00
METHODS HOLDING LTD	Great Britain	FC	100.00	100.00	-	-	-
METHODS BUSINESS AND DIGITAL TECHNOLOGY LTD	Great Britain	FC	100.00	100.00	-	-	-
METHODS CONSULTING (ANALYTICS) LIMITED	Great Britain	FC	100.00	100.00	-	-	-
METHODS ANALYTICS LIMITED	Great Britain	FC	100.00	100.00	-	-	-
COREAZURE LIMITED	Great Britain	FC	100.00	100.00	-	-	-
SESAME GROUP LIMITED	Hong Kong	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY HONG KONG	Hong Kong	FC	100.00	100.00	FC	100.00	100.00
ALTEN INDIA PRIVATE LTD	India	FC	100.00	100.00	FC	100.00	100.00
ALTEN CALSOFT LABS INDIA	India	FC	100.00	100.00	FC	100.00	100.00
CRESTTEK ENGINEERING SOLUTIONS PRIVATE LTD	India	FC	99.98	99.98	FC	99.98	99.98
ASM ENTERPRISE SOLUTIONS	India	-	-	-	FC	100.00	100.00
SI2CHIP TECHNOLOGIES PRIVATE LTD	India	-	-	-	FC	100.00	100.00
WAFER SPACE SEMICONDUCTORS TECHNOLOGIES PVT	India	FC	100.00	100.00	FC	100.00	100.00
EXPERT GLOBAL SOLUTIONS PRIVATE LTD	India	FC	100.00	100.00	FC	100.00	100.00
EC MOBILITY PRIVATE LTD	India	FC	100.00	100.00	FC	100.00	100.00
VOLANSYS TECHNOLOGIES PRIVATE LTD	India	FC	100.00	100.00	-	-	-
AFOUR TECHNOLOGIES PRIVATE LTD	India	FC	100.00	100.00	-	-	-
ALTEN JAPAN CO LTD	Japan	FC	100.00	100.00	FC	100.00	100.00
RITATSU SOFT	Japan	FC	100.00	100.00	FC	100.00	100.00
NIHON RITATSU	Japan	FC	100.00	100.00	FC	100.00	100.00
PROGRAM PLANNING PROFESSIONALS INDONESIA	Indonesia	-	-	-	FC	100.00	100.00
ALTEN ITALIA	Italy	FC	100.00	100.00	FC	100.00	100.00
POSITECH SRL	Italy	-	-	-	FC	100.00	100.00
SDG GROUP SRL	Italy	FC	100.00	100.00	FC	100.00	100.00
SDG CONSULTING ITALIA	Italy	FC	100.00	100.00	FC	100.00	100.00
MIGSO ITALIA	Italy	FC	100.00	100.00	-	-	-
OPTIMISSA GROUP	Luxembourg	FC	100.00	100.00	FC	100.00	100.00
ALTEN LUXEMBOURG	Luxembourg	FC	100.00	100.00	FC	100.00	100.00
ALTEN DELIVERY CENTER MAROC	Morocco	FC	100.00	100.00	FC	100.00	100.00
OPTIMISSA CAPITAL MARKETS CONSULTING	Mexico	FC	100.00	100.00	FC	100.00	100.00
ALTEN INGENIERIA MEXICO	Mexico	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY NIGERIA	Nigeria	FC	100.00	100.00	FC	100.00	100.00
ALTEN NEDERLAND	The Netherlands	FC	100.00	100.00	FC	100.00	100.00
ORION ENGINEERING BV	The Netherlands	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY NETHERLANDS	The Netherlands	FC	100.00	100.00	FC	100.00	100.00
ALTEN POLSKA SP ZOO	Poland	FC	100.00	100.00	FC	100.00	100.00
ALTEN ENGINEERING FACTORY SP ZOO	Poland	FC	100.00	100.00	FC	100.00	100.00
CLEAR INTEC SP ZOO	Poland	FC	100.00	100.00	FC	100.00	100.00
TECHALTEN Portugal	Portugal	FC	100.00	100.00	FC	100.00	100.00
OPTIMISSA Portugal UNIPESSOAL	Portugal	FC	100.00	100.00	FC	100.00	100.00

		31/12/2022			31/12/2021		
Company name	**Country of operation**	**Basis of consolidation ***	**% interest**	**% control**	**Basis of consolidation ***	**% interest**	**% control**
SDG PT STRATEGY DECISION GOVERNANCE	Portugal	FC	100.00	100.00	FC	100.00	100.00
MI GSO LDA	Portugal	FC	100.00	100.00	FC	100.00	100.00
IT SECTOR	Portugal	FC	100.00	100.00	FC	100.00	100.00
ALTEN SI TECHNO ROMANIA	Romania	FC	100.00	100.00	FC	100.00	100.00
ALTEN DELIVERY CENTER IASI SRL	Romania	FC	100.00	100.00	FC	100.00	100.00
EEINS EXPERTS SRL	Romania	FC	100.00	100.00	FC	100.00	100.00
EEINS TIMISOARA SRL	Romania	FC	100.00	100.00	FC	100.00	100.00
CMED SRL	Romania	FC	100.00	100.00	FC	100.00	100.00
ICONEC SERVICES SRL	Romania	FC	100.00	100.00	-	-	-
PROGRAM PLANNING PROFESSIONALS PTE LTD	Singapore	FC	100.00	100.00	FC	100.00	100.00
ANOTECH ENERGY SINGAPORE	Singapore	FC	100.00	100.00	FC	100.00	100.00
ALTEN CALSOFT LABS SINGAPORE	Singapore	FC	100.00	100.00	FC	100.00	100.00
AIXIAL SRO	Czech Rep.	FC	100.00	100.00	FC	100.00	100.00
ALTEN SVERIGE AB	Sweden	FC	100.00	100.00	FC	100.00	100.00
CHIEF CONSULTING AB	Sweden	FC	100.00	100.00	FC	60.00	60.00
LARIX SWEDEN AB	Sweden	FC	100.00	100.00	FC	100.00	100.00
ALTEN SWITZERLAND SARL AG	Switzerland	FC	100.00	100.00	FC	100.00	100.00
CIENET TECHNOLOGIES CO LTD TAIWAN	Taiwan	FC	100.00	100.00	FC	100.00	100.00
TRUETEL COMMUNICATIONS TAIWAN INC	Taiwan	FC	100.00	100.00	FC	100.00	100.00
CPRIME UKRAINE	Ukraine	FC	100.00	100.00	FC	100.00	100.00

** FC = Full Consolidation/EM = Equity-accounted Method.*

It should be noted that the companies ANOTECH ENERGY SERVICES and PROGRAM PLANNING PROFESSIONALS INDONESIA no longer presenting any operational activity, nor significant assets and liabilities, were removed from the scope of consolidation on 1 January 2022.

3.2 Commitments relating to the scope of consolidation

(in thousands of euros)	31/12/2022	31/12/2021
Bank guarantees given		
ALTEN SA	9,415	8,251
CALSOFT LABS US	121	40
ALTEN ITALIA	1,291	794
ALTEN BELGIUM	299	299
ALTEN NEDELAND	223	212
ALTEN SPAIN	4,765	4,312
ALTEN GMBH	1,394	1,210
IT SECTOR	28	28
ALTEN SVERIGE	77	84
ORION	21	21
ALTEN FINLAND OY	178	0
ALTEN SWITZERLAND	577	445
ALTEN SW GMBH	0	136
AP SOLUTIONS	704	704
OSB AG	697	212
ALTEN AUSTRIA SUD	0	19
PCUBED AUSTRALIA	59	64
ALTEN SI TECHNO ROMANIA	228	218
ALTEN TECHNOLOGY GmbH	290	286
ATEXIS GMBH	0	9
SDG CONSULTING ESPAÑA	1,142	1,174
SDG CONSULTING ITALIA	74	206
CLEVERTASK SOLUTIONS	32	
TOTAL	**21,584**	**18,725**
Pledges, sureties and guarantees received *(as security for liability guarantees)*		
ALTEN CALSOFT INDIA	0	950
ALTEN EUROPE	10,227	1,750
ATEXIS GMBH	2,800	0
ALTEN SPAIN	400	400
SESAME GROUP LTD	954	1,248
CPRIME INC	0	122
ALTENWARE	2,725	2,725
CPRIME UK	0	238
ALTEN USA	7,500	7,058
PCUBED AUSTRALIA	765	0
PCUBED USA	1,406	0
(other)		
HPTI[1]		14,900
TOTAL	**26,777**	**29,391**

(1) In 2011, pledge of securities held as collateral for a loan granted to a company in which the Group held an interest.

NOTE 4 OPERATIONAL DATA

4.1 Operational segments

Operating segment information reflects the internal IT System used by Group Management for decision-making purposes. Group activity is presented by geographic region, distinguishing between France and International. The financial information published below corresponds to the information used internally by the main operational decision-maker (the Chairman) in order to assess the performance of the segments.

	31/12/2022			31/12/2021		
(in thousands of euros)	**France**	**International**	**TOTAL**	**France**	**International**	**TOTAL**
Net revenue	1,178,171	2,604,929	**3,783,100**	1,031,889	1,893,292	**2,925,180**
Operating profit on activity	96,297	323,284	**419,581**	86,231	233,635	**319,866**
Rate of operating profit on activity/ revenue for the segment	8.2%	12.4%	**11.1%**	8.4%	12.3%	**10.9%**
Profit from continuing operations	73,884	316,028	**389,912**	69,785	228,152	**297,937**
Operating profit	74,466	518,413	**592,879**	69,714	218,443	**288,157**
Financial income	1,011	1,068	**2,079**	409	(2,103)	**(1,694)**
Income tax expense	(23,204)	(114,355)	**(137,559)**	(22,543)	(56,092)	**(78,635)**
Earnings from associates	0	127	**127**	0	62	**62**
NET OVERALL EARNINGS	**52,273**	**405,252**	**457,525**	**47,579**	**160,310**	**207,890**
Non-controlling interests	42		**42**	37	(89)	**(53)**
NET INCOME, GROUP SHARE	**52,315**	**405,252**	**457,567**	**47,616**	**160,221**	**207,837**

	31/12/2022			31/12/2021		
(in thousands of euros)	**France**	**International**	**TOTAL**	**France**	**International**	**TOTAL**
Goodwill	183,512	837,345	**1,020,857**	183,002	705,722	**888,723**
Interests in associates	0	1,260	**1,260**	0	1,180	**1,180**
Headcount at year end	13,000	41,100	**54,100**	12,100	30,200	**42,300**
Cash and cash equivalents at closing	364,088	237,647	**601,735**	117,232	195,079	**312,311**
Financial liabilities (including lease liabilities)	289,278	133,200	**422,477**	164,139	111,344	**275,483**
Rental liabilities	119,823	118,541	**238,364**	82,705	99,903	**182,609**
Net investments for the period	12,849	(71,024)	**(58,175)**	19,249	98,375	**117,624**

The contribution to revenue and operating profit on activity from the companies acquired and consolidated in 2022 amounted to €90.2 million and €7.2 million respectively (see Note 2.1).

4.2 Revenue, working capital requirements and age structure of trade receivables

Revenue

Group revenue is recognised over the period in which services are rendered and made up of services:

- on a time-worked basis: the income is recognised using the percentage of completion method since the client continuously receives and consumes the benefits of the services which are provided to him. The amount to be invoiced represents the value of the services provided to the client and, consequently, by applying the right to invoice simplification measure, the revenue is recognised according to time spent. Income is therefore equal to time spent multiplied by an hourly, daily or monthly rate;
- for the Work Packages method: income recognition varies according to the nature of the commitment of providing resources:
  - when the Work Packages is a global cost-based scheme, revenue is equal to the time spent multiplied by an hourly, daily or monthly selling price as described above,
  - when it is an outsourced service, for which the billing is on a monthly or quarterly fixed-price basis, revenue is recognised on a monthly basis, according to the fixed price amount, independent of the actual time spent by the consultants, the right to invoice being acquired according to this contractual pattern,
  - finally, if it is a Work Packages with service commitments, the revenue is recognised separately for each of the elements when they are identifiable separately and the client can benefit from them. When these elements are not identifiable, the revenue is recognised as the client receives/approves deliverables and/or performance indicators (work units) the price of which is determined in the Work Packages contract. For fixed-price contracts this generally corresponds to the percentage of completion method described below;
- fixed price: revenue is recognised according to the percentage of completion method, proportionately to the spending committed to in relation to the estimation of total spending of the contract when at least one of the following conditions is respected: (i) the client receives and consumes the benefits provided by the Group service as the service is being provided or (ii) the Group service creates or enhances the value of an asset which the client obtains control of as it is being created or as its value is being enhanced (iii) the Group has an enforceable right to a payment for the service provided to date in the event of termination by the client.

Loss-making contracts give rise to recognition of a contract loss provision corresponding to the total expected loss less any losses already recorded in advance.

Notion of principal/agent: When the Group sells licences and/or sub-contracting bought from external suppliers, its relationship with the client is analysed in order to determine whether the Group is acting as a principal or agent. The Group acts as a principal when it controls the goods or services prior to their transfer to the client; the revenue is then recognised on a gross basis.

If the Group acts as an agent, the revenue is recognised on a net basis corresponding to the commission received by the Group as an agent.

Trade receivables and assets and liabilities linked to client contracts

Trade receivables and related assets are valued at the amortised cost minus any losses in value. Losses in value are registered:

- statistically, according to expected losses estimated over the lifespan of the receivables, taking account of the history of losses on receivables;
- on a case-by-case basis when it becomes likely that the receivable will not be received and it is possible to reasonably estimate the amount of the loss.

Assets linked to client contracts are essentially made up of invoices to be issued. Liabilities linked to client contracts are mainly made up of deferred income and credit Notes to be drawn up. In addition, no asset is recognised under costs of obtaining a contract.

Revenue

By type of service

(in millions of euros)	2022	%	2021	%
Service provision	3,725.9	98.5%	2,890.5	98.8%
Re-invoiced expenses	21.9	0.6%	14.9	0.5%
Others (including margin on sales of licences)	35.3	0.9%	19.8	0.7%
TOTAL	**3,783.1**	**100%**	**2,925.2**	**100%**

By geographical area

(in millions of euros)	2022	%	2021	%
France	**1,178.2**	**31.1%**	**1,031.9**	**35.3%**
International	**2,604.9**	**68.9%**	**1,893.3**	**64.7%**
North America	561.6	14.8%	371.1	12.7%
Germany	329.0	8.7%	263.2	9.0%
Spain	323.3	8.5%	216.5	7.4%
Asia-Pacific	318.4	8.4%	175.9	6.0%
UK	263.2	7.0%	140.2	4.8%
Italy	250.2	6.6%	198.0	6.8%
Benelux	198.2	5.2%	169.5	5.8%
Scandinavia	183.6	4.9%	172.6	5.9%
Eastern Europe	85.6	2.3%	62.8	2.1%
Switzerland	66.0	1.7%	63.3	2.2%
Other	25.7	0.7%	60.1	2.1%
TOTAL	**3,783.1**	**100%**	**2,925.2**	**100%**

By business sector

(% of revenue)	2022	2021
Aerospace	13.0%	11.6%
Defence & Security/Marine	5.5%	6.2%
Automotive/Rail	20.0%	19.4%
Electronics	4.1%	3.9%
Retail, services, media & public sector	18.4%	16.5%
Banking, finance and insurance	10.4%	10.6%
Industries	5.4%	6.0%
Telecoms	5.6%	5.6%
Life Sciences	8.7%	9.5%
Energy	8.8%	10.8%
TOTAL	**100%**	**100%**

Order book

As permitted by IFRS 15, no information is communicated relating to the service obligations remaining at 31 December 2022 for contracts with an initial expected duration of one year or less.

Working capital requirements

(in thousands of euros)	31/12/2021	Cash flow variation	Other flows*	31/12/2022	Current	Non-current
Trade receivables	778,784	209,668	(24,317)	964,135	964,135	
Client contract assets	189,189	49,757	7,142	246,087	246,087	
Client contract liabilities	(168,927)	(30,395)	8,042	(191,281)	(191,281)	
Customer advances and payments on account (2)	(9,403)	(10,905)	(1,267)	(21,574)	(21,574)	
TRADE RECEIVABLES AND RELATED ACCOUNTS (A)	**789,643**	**218,125**	**(10,401)**	**997,367**	**997,367**	
Trade payables	(126,843)	(1,247)	(10,745)	(138,835)	(138,835)	
Prepaid expenses (1)	25,563	(860)	534	25,237	25,237	
Supplier receivables (1)	2,199	704	1,132	4,034	4,034	
Supplier advances and payments on account (1)	1,099	1,431	534	3,064	3,064	
TRADE PAYABLES AND RELATED ACCOUNTS (B)	**(97,982)**	**28**	**(8,546)**	**(106,500)**	**(106,500)**	
Tax and social security receivables (1)	66,042	(6,410)	,25,432	85,065	85,065	
Other receivable (1)	8,039	(2,065)	(1,500)	4,473	4,473	
Tax and social security debt (2)	(417,959)	(62,346)	(2,711)	(483,016)	(479,168)	(3,848)
Other debts (2)	(5,215)	13,870	(10,908)	(2,254)	(2,254)	
OTHER ASSETS/LIABILITIES (C)	**(349,093)**	**(56,951)**	**10,312**	**(395,732)**	**(391,884)**	**(3,848)**
WCR (= A + B + C)	**342,567**	**161,203**	**(8,635)**	**495,135**	**498,983**	**(3,848)**
Reconciliation with the consolidated statement of financial position						
Sum of (1)	**102,941**	**(7,200)**	**26,131**	**121,873**	**121,873**	
Current financial assets	444		(129)	315	315	
TOTAL OF "OTHER CURRENT ASSETS"	**103,385**	**(7,200)**	**26,002**	**122,187**	**122,187**	
Sum of (2)	**(432,577)**	**(59,380)**	**(14,887)**	**(506,844)**	**(502,997)**	**(3,848)**
Earn outs	(130,410)		(24,429)	(154,839)	(65,899)	(88,940)
TOTAL OF "OTHER CURRENT AND NON-CURRENT LIABILITIES"	**(562,988)**	**(59,380)**	**(39,316)**	**(661,684)**	**(568,896)**	**(92,788)**

* *"Other flows" correspond to newly consolidated companies, translation differences or flows excluded by the nature of the change in WCR. The earn-outs are debts relating to acquisitions.*

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Clients and duration of relationship

The following table shows the breakdown of the portfolio of trade receivables based on age:

	31/12/2022					31/12/2021				
(in thousands of euros)	Unmatured	< 6 months	6 months to 1 year	> 1 year	Balance	Unmatured	< 6 months	6 months to 1 year	> 1 year	Balance
TRADE RECEIVABLES										
Gross value	726,405	212,553	27,209	12,524	**978,691**	625,569	147,475	8,811	9,081	**790,936**
Provisions	0	(2,073)	(2,682)	(9,801)	**(14,556)**	0	(3,067)	(1,477)	(7,608)	**(12,152)**
NET VALUES	**726,405**	**210,480**	**24,527**	**2,723**	**964,135**	**625,569**	**144,408**	**7,334**	**1,474**	**778,784**

Based on experience and considering its policy for recovering trade receivables, the Group feels that the level of impairment for the financial year is appropriate to the risks involved.

4.3 Employee expenses and benefits

4.3.1 Employee benefits expense

(in thousands of euros)	31/12/2022	31/12/2021
Salaries and benefits	(2,535,350)	(1,989,515)
Set provisions to labour disputes	1,050	(1,193)
Retirement benefits	(1,417)	(638)
Taxes levied on wages	(34,073)	(28,929)
Employee profit sharing	(9,628)	(6,379)
TOTAL	**(2,579,418)**	**(2,026,654)**

The "salaries and benefits" item is reduced by research tax credits (CIR). Social security charges under defined contribution plans amounted to €453.4 million in 2022 (compared to €360.4 million in 2021).

4.3.2 Post-employment benefits

The Group offers certain benefits in the form of defined contribution pension plans. With regard to these plans, the Group's only other commitment is the payment of premiums carried as a charge on the income statement for the financial year. The Group has not established employee benefits as part of defined benefit plans. Its commitment is essentially made up of:

- retirement benefits valued by an independent actuary, using the projected unit credit method, in France;
- severance pay (TFR), in Italy.

According to the projected unit credit method, each period of service results in an additional right to benefits and each of these units is valued separately in order to determine the final obligation. This final obligation is then discounted. These calculations incorporate two types of assumptions:

Financial assumptions:

- a financial discount rate;
- an inflation rate;
- a salary revaluation rate;
- an employer contribution rate.

Demographic assumptions:

- the assumption of a retirement age generally set at 65, the age at which a French employee will have reached the number of years of contributions entitling the employee to the full pension amount granted under the national pension plan;
- INSEE mortality tables;
- average staff turnover rates, by age and employment category;
- ages of first employment;
- number of employees taking retirement.

These assessments are carried out every year with updated actuarial assumptions. The Group has no assets to cover commitments for retirement benefits.

Expenses are recognised:

- Under Operating Profit for the part relating to cost of services;
- Under Net Financial Income for the part relating to discounting.

Actuarial gains and losses (actuarial differences) are recognised directly in Other Comprehensive Income.

The following table presents staff benefits:

(in thousands of euros)	**Total commitment**
AT 31/12/2020	**17,257**
Change in scope	1,341
Reclassification	0
Cost of services provided	894
Interest expenses	52
Actuarial gains and losses	(426)
Benefits paid	(259)
AT 31/12/2021	**18,859**
Change in scope	23
Reclassification	0
Cost of services provided	1,530
Interest expenses	136
Actuarial gains and losses	(5,594)
Benefits paid	(113)
Change	(8)
AT 31/12/2022	**14,833**

The main assumptions used to value the commitment are shown in the table below:

	31/12/2022	**31/12/2021**
Discount rate	3.75%	1.00%
Turnover rate (historical data recorded)	Age group	Age group
Revaluation rate for employees		
Managerial staff	3.00%	1.50%
Non-managerial staff	3.00%	2.00%
Employer contribution rate		
• Managerial staff	40.00%	40.00%
• Non-managerial staff	40.00%	40.00%
Mortality table		
• Women	TF 15/17	TF 15/17
• Men	TH 15/17	TH 15/17
Retirement age		
• Managerial staff	65 years	65 years
• Non-managerial staff	60 to 62 years	60 to 62 years

The rate of personnel turnover is taken according to historical data observed in the Group. The reference rate used to calculate the discount rate is the yield on AA-rated corporate bonds in the euro zone.

The impact of changes in the discount rate on the commitment calculation is shown in the table below:

	-0.5 point	**Mid value**	**+0.5 point**
Discount rate	3.25%	3.75%	4.25%
TOTAL COMMITMENT *(IN THOUSANDS OF EUROS)*	**15,392**	**14,833**	**14,319**

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4.3.3 Share-based payments

Some of the Group's employees qualify for share options or free shares. In accordance with IFRS 2 "Share-based payments", free options or shares are valued at their fair value on the date on which they are awarded, by an external value, based on the Black and Scholes or binomial models. Changes in value after the date on which they are awarded have no impact on this initial valuation. However, the number of instruments to be delivered is re-estimated at each closing to reach the number of instruments actually delivered to the beneficiaries.

The current plans were analysed by the Group as Equity Settled plans.

The overall expenses are recorded on a straight-line basis over the rights vesting period, with a counterparty in shareholders' equity.

ALTEN SA's Board of Directors allocated free shares during the financial year under the authorisations granted by the General Meeting of 22 June 2022. This allocation was the subject of two separate plans, the main terms of which are presented, together with those of the plans of previous years, the expense of which was not fully spread over previous years, in the table below:

PLANS														TOTAL
Date of award by the Board	24/10/2018	18/06/2019	18/06/2019	15/11/2019	27/10/2020	27/10/2020	27/10/2020	23/02/2021	23/02/2021	27/10/2021	27/10/2021	26/10/2022	26/10/2022	
Class of financial instruments awarded	Ordinary share	Preferred B share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	
Number of financial instruments awarded	100,450	814	49,550	150,000	163,365	164,500	10,000	109,450	13,500	105,850	116,825	59,700	116,455	
of which number awarded to employees	100,450	391	49,550	150,000	163,365	54,500	10,000	109,450	13,500	105,850	116,825	59,700	116,455	
of which number awarded to Corporate Officers	0	423	0	0	0	110,000	0	0	0	0	0	0	0	
Number of instruments voided over the period	7,200		2,400	9,000	52,758			3,700			600			
Number of instruments subscribed for over the period	78,050				62,205		10,000							
Number of instruments outstanding at 31/12/2022	0	0	42,550	138,900	0	149,500	0	105,150	13,500	105,850	116,225	59,700	116,455	
Fair value of the financial instruments *(in euros)*	73.7	4,899.9	92.5	96.4	76.7	75.7	76.7	84.9	85.9	132.5	130.6	117.9	115.7	
Final award date	24/10/2022	18/06/2021	18/06/2023	15/11/2023	27/10/2022	27/10/2023	27/10/2022	23/02/2024	23/10/2023	30/10/2023	27/10/2025	26/10/2024	26/10/2026	
Final award conditions	Presence and performance	Presence	Presence and performance	Presence and performance	Presence	Presence and performance	Presence	Presence and performance	Presence	Presence	Presence and performance	Presence	Presence and performance	
Lock-up/Non-transferability period	None	18/06/2023	None	None	None	None	None	None	None	None	None	None	None	
Cost of services provided in 2022 *(In thousands of euros)*	1,662	926	1,223	3,278	1,488	3,698	380	2,520	653	6,267	2,822	563	416	25,897
Employer contribution cost 2022 *(In thousands of euros)*	209	116	100	193	245	828	95	379	119	1,107	232	109	40	3,772
(IN THOUSANDS OF EUROS)														**29,669**

For plans awarded in 2019, at the end of the lock-up period, the Preferred B shares may be converted into ordinary shares provided that the performance and presence criteria are met over four years.

The conversion parity is: 1 preferred share = (100 x M x Revenue Coef) x 20% + (100 x M x OPA Coef) x 80%.

Growth in relation to revenue	Translation coefficient linked to revenue growth (Rev Coef)	Growth in OPA	Translation coefficient linked to OPA growth (OPA Coef)	Presence-based multiplying coefficient (M)
> or = 26%	100%	> or = 20.0%	100%	
22.0%	80%	17.4%	80%	Default = 0.01
18.0%	60%	15.0%	60%	
14.0%	40%	12.1%	40%	*Presence on third anniversary of award = 0.1*
10.0%	20%	10.0%	20%	
<10.0%	0%	< 10.0%	0%	*Presence on fourth anniversary of award = 1*

For the free share plans awarded in 2018, 2019, 2020, 2021 and 2022:

- the shares of the democratic plan of 27/10/2020, and those of the other plans subject to a single presence condition, will be freely transferable at the end of the final award date;
- the shares of performance plans will be definitively awarded after the vesting period pending the effective presence of the beneficiary; the final number of shares will depend on the attainment of performance criteria in line with the following formula:

Number of shares definitively awarded = Number of shares initially awarded x (CO coef + OMA coef + FC coef + QCSR coef)/4.

With:

cCO	cOMA	cFC	cQCSR
Based on the weighted annual organic growth rate	Based on the annual weighted rate of activity operating margin	Based on the annual weighted rate Normative free cash flow/ revenue	Based on the annual average of the ALTEN composite CSR index
("CO")	**("OMA")**	**("FC")**	**("mIA")**

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4.4 Other items of the consolidated income statement

4.4.1 Purchases consumed

(in thousands of euros)	31/12/2022	31/12/2021
Purchasing and subcontracting business	(412,248)	(287,438)
Non-stock purchases	(26,140)	(20,787)
TOTAL	**(438,388)**	**(308,225)**

Purchases mainly consist of subcontracting.

4.4.2 External charges

(in thousands of euros)	31/12/2022	31/12/2021
Rents and rental charges*	(16,773)	(15,627)
Maintenance and repairs	(25,592)	(16,508)
External personnel, fees	(66,195)	(58,418)
Transportation and travel	(70,326)	(47,894)
Other external charges	(72,197)	(44,354)
TOTAL	**(251,082)**	**(182,802)**

** Real estate rental charges, rental fees for contracts of less than 12 months and non-rental components of leases, in accordance with the application of IFRS 16.*

4.4.3 Other operating income and expenses

(in thousands of euros)	31/12/2022	31/12/2021
Provisions for impairments of current assets	(3,198)	(3,991)
Losses on unrecoverable receivables	(948)	(2,349)
Provisions for long-term contingencies	(1,997)	(2,346)
Book value of non-current assets sold	(537)	(3,091)
Other expenses	0	(20)
TOTAL EXPENSES	**(6,680)**	**(11,797)**
Reversal of provisions for receivables	1,885	5,008
Reversals of provisions for long-term contingencies	2,172	1,372
Proceeds from sale of non-current assets	115	3,178
Other income	21	155
TOTAL INCOME	**4,193**	**9,713**
TOTAL OTHER OPERATING INCOME AND EXPENSES	**(2,487)**	**(2,084)**

4.4.4 Other operating income and expenses

Other operating income and expenses include non-recurring transactions and significant amounts that could potentially misrepresent the Group's operating performance. These might include:

- restructuring costs for recent acquisitions;
- acquisition fees;
- other non-recurring income and expenses of a significant amount which are not intrinsically linked to the business activity.

(in thousands of euros)	**2022**	**2021**
Restructuring costs	(2,229)	(1,648)
Fees associated with the acquisition of new companies	(2,109)	(4,798)
Social security and tax adjustments	1,308	499
Acquisition-related costs	(10,638)	(3,955)
Other	336	122
TOTAL OTHER OPERATING INCOME AND EXPENSES	**(13,332)**	**(9,780)**
Including other operating expenses	*(18,575)*	*(11,386)*
Including other operating income	*5,243*	*1,606*

Other operating income and expenses in 2022 consisted of restructuring costs (-€2.2 million), acquisition fees (-€ 2.1 million), reversals of provisions on adjustments. social and tax expenses (+€1.3 million), acquisition-related costs (-€10.6 million) corresponding in particular to the adjustment of the costs of business combinations acquired as part of the application IFRS 3.

NOTE 5 NON-CURRENT ASSETS

5.1 Goodwill and impairment tests

Goodwill is initially recognised in a business combination as described in Note 3 in the "Business combinations" part.

After the initial accounting, the ALTEN Group carries out impairment tests on goodwill (in particular) as soon as a sign of value loss is identified and at least once a year. Losses in value in goodwill are not reversible.

For the purpose of this test, assets and liabilities are grouped into Cash-Generating Units (CGUs). CGUs are homogeneous groups of assets that generate cash inflows through continuous use which are largely independent of the cash inflows from other assets or groups of assets. CGUs correspond to legal entities or relevant groups of legal entities.

The value-in-use of these units is determined by reference to discounted future net cash flows. When value-in-use falls below the net book value of the CGU, the difference is recorded as an impairment loss in operating profit; it is first allocated to Goodwill.

Whether such impairment loss is recognised is determined on the basis of the Discounted Cash Flow, for which the Group expects to obtain flows from the cash-generating unit. Value in use is determined through:

- a four-year financial budget prepared by the entity and validated by the Group's Financial Department, updated when the year-end budget is prepared. The cash flow beyond the four-year period is extrapolated, taking into account a perpetual growth rate;
- perpetual growth rate: this growth rate does not exceed the long-term average growth rate for the business sector;
- discount rate: this rate corresponds to the weighted average cost of capital, derived from risk-free interest rates, country and market risk premium, beta coefficient and the cost of debt.

The discount rates used to discount cash flow after taxes are net of taxes.

Goodwill, allocated by country, is broken down as follows:

(in thousands of euros)	France	Germany	Spain	UK	Scandinavia	Italy	Portugal	Belgium	The Netherlands
31/12/2021	**183,003**	**119,783**	**107,019**	**48,387**	**63,901**	**53,171**	**29,375**	**12,686**	**26,173**
Acquisitions		25,077	11,544	74,472					
Disposals/withdrawals				(7,025)					
Earn-out adjustments									
Reclassification	515	(4,255)	3,741						
Translation differences				(420)	(1,268)				
Other	(6)			188					
Impairments									
31/12/2022	**183,512**	**140,605**	**122,304**	**115,602**	**62,633**	**53,171**	**29,375**	**12,686**	**26,173**

Switzerland	Eastern Europe	USA	Canada	India	China	Asia (other)	Australia	Total
25,014	**6,849**	**115,144**	**5,786**	**31,606**	**45,207**	**15,450**	**169**	**888,723**
				32,769	6,589		6,670	157,121
		(26,393)						(33,418)
				1,457				1 457
								0
778		4,116	16	(2,464)	2,651	374	(198)	3,585
		2,293			915			3,390
								0
25,792	**6,849**	**95,160**	**5,802**	**63,368**	**55,362**	**15,824**	**6,641**	**1,020,857**

During the 2022 financial year, the increase in the amount of goodwill can be mainly explained by the following:

- the Group's acquisitions during the period (as described in Note 2.1); and the disposal of the Agile business unit (described in Note 2.2);
- adjustments of earn outs and corrections to positions (included under "Other") within the allocation period;
- translation differences on goodwill denominated in foreign currencies.

The Group performed impairment testing on all the assets of its CGUs at 31 December 2022. The tests show that the recoverable amounts of the assets of the CGUs are higher than their book value. It should be noted that in an uncertain geopolitical context, the forecasts and estimates used for these tests could be significantly modified at a later date.

The table below presents the main actuarial assumptions and structural operating assumptions used for the impairment tests performed during the year for the main countries. It should be noted that CGUs correspond to legal entities or groups of legal entities, where applicable, and that for the purposes of simplification and clarity of this note, they are grouped into countries or geographical areas.

The growth rate and discount rate assumptions used in the valuation of all Cash-Generating Units were revised in light of general market data.

	2022				2021			
Country	**Value of goodwill**	**Average annual revenue growth rate 2022-2027**	**Perpetual growth rate**	**Weighted average cost of capital (WACC)**	**Value of goodwill**	**Average annual revenue growth rate 2021-2026**	**Perpetual growth rate**	**Weighted average cost of capital (WACC)**
France	183,512	7%	2%	9.2%	183,003	6%	2%	7.7%
Germany	140,605	8%	2%	8.5%	119,783	9%	2%	7.2%
Spain	122,304	9%	2%	10.6%	107,019	8%	2%	8.1%
UK	115,602	13%	2%	9.6%	48,387	11%	2%	7.9%
Scandinavia	62,633	5%	2%	8.1% to 9.1%	63,901	6%	2%	7.3% to 7.7%
Italy	53,171	9%	2%	11.7%	53,171	6%	2%	8.8%
Portugal	29,375	4%	2%	11.0%	29,375	4%	2%	7.9%
Belgium	12,686	6%	2%	8.9%	12,686	6%	2%	7.6%
The Netherlands	26,173	6%	2%	8.8%	26,173	7%	2%	7.3%
Switzerland	25,792	6%	2%	7.3%	25,014	4%	2%	7,.%
Eastern Europe	6,849	20%	2%	9.0% to 12.2%	6,849	10%	2%	8.0% to 10.0%
USA	95,160	9%	2%	9.7%	115,144	10%	2%	7.3%
Canada	5,802	8%	2%	9.6%	5,786	13%	2%	7.3%
India	63,368	14%	2%	11.8%	31,606	9%	2%	9.1%
China	55,362	4%	2%	10.6%	45,207	12%	2%	8,.%
Asia (other)	15,824	8%	2%	7.8% to 10.3%	15,450	10%	2%	7.4% to 8.0%
Australia	6,641	na	na	na	169	na	na	na
TOTAL	**1,020,857**				**888,723**			

The main operating assumptions used to build the budget are in line with the historical data seen for each CGU.

The Group presents analyses of sensitivity to key assumptions for WACC, the open-ended growth rate and normative OPA Coefficient. The results of these analyses in terms of impairment of goodwill are summarised in the table below.

	2022					2021				
Country	Goodwill	Test margin **	WACC +1 point **	Zero growth rate **	Normative OPA -1 point **	Goodwill	Test margin **	WACC +1 point **	Zero growth rate **	Normative OPA -1 point **
France	183,512	549,654	-	-	(19 956)	183,003	445,632	(5,357)	(5,980)	(3,777)
Germany	140,605	245,087	-	-	-	119,783	280,049	(1,266)	(402)	(1,980)
Spain	122,304	384,692	-	-	-	107,019	176,494	-	-	-
UK	115,602	537,830	-	-	-	48,387	331,459	-	-	-
Scandinavia	62,633	161,262	-	-	-	63,901	193,530	-	-	-
Italy	53,171	470,299	-	-	-	53,171	288,908	-	-	-
Portugal	29,375	26,392	-	-	-	29,375	46,172	-	-	-
Belgium	12,686	56,414	-	-	-	12,686	104,071	-	-	-
The Netherlands	26,173	216,140	-	-	-	26,173	234,055	-	-	-
Switzerland	25,792	181,584	-	-	-	25,014	177,051	-	-	-
Eastern Europe	6,849	66,588	(100)	(264)	(431)	6,849	160,953	-	-	-
USA	95,160	620,669	-	-	-	115,144	354,967	-	-	-
Canada	5,802	76,683	-	-	-	5,786	107,211	-	-	-
India	63,368	119,837	(4,985)	-	-	31,606	6,840	-	-	-
China	55,362	122,924	-	-	-	45,207	30,566	-	-	-
Asia (other)	15,824	90,268	-	-	-	15,450	58,234	-	-	-
Australia	6,641					169				
TOTAL	**1,020,857**	**3,926,322**	**(5,085)**	**(264)**	**(20,387)**	**888,723**	**2,996,191**	**(6,623)**	**(6,382)**	**(5,757)**

** Test margin = Value-in-use - total value of assets to be tested (including goodwill) for all CGUs included in the country.*

*** Amount of impairment of the CGU or CGUs included in the country. Other constant parameters.*

5.2 Rights of use and lease liabilities

Leases, as defined by IFRS 16 "Leases", are recognised in the statement of financial position, resulting in the recognition of:

- an asset that corresponds to the right to use the leased asset during the term of the contract.

  At the effective date of a lease, rights of use are valued at their cost and include the initial amount of debt plus or minus any advance payments and benefits received from the lessor. Any initial direct costs incurred for the signing of the agreement (marginal costs that would not have been incurred if the agreement had not been entered into) increase the amount of the assets. Rights of use are amortised over the useful life of the underlying assets. This period always corresponds to the term of the lease, given the type of agreements the Group enters into;
- rental debt for future payment obligations over the term of the agreement.

  When the agreement enters into force, lease liability is recognised at an amount equal to the discounted value of the rents paid over the term of the agreement. The amounts taken into account for rent in the valuation of the debt are rents, payments to be made or received from the lessor, less payments already made or received. Rents are discounted using discount rates broken down by country and based on the average terms of the agreements.

In the income statement, depreciation and amortisation expenses are recognised in profit from continuing operations and interest expenses in financial income. The tax impact of this consolidation restatement is taken into account through the recognition of deferred tax.

During the life of each agreement, the amount of the debt and rights of use may be adjusted should events occur that lead to the upward or downward revision or modification of the term of the lease and the amount of rent.

Initially, the term of the lease is defined individually for each agreement and corresponds to the fixed period of the commitment, taking into account the optional periods that are reasonably certain to be exercised.

The main simplification measures allowed by IFRS 16 are applied by the Group:

- exclusion of leases relating to underlying assets with a value of less than €5,000;
- exclusion of leases with terms of under 12 months.

Rents for agreements excluded from the scope of IFRS 16 are recognised directly as operating expenses.

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Statement of financial position

Rights of use (non-current assets)

(in thousands of euros)	Real estate	Vehicles	Computer equipment	Other	Total
Gross value					
Gross value - 31/12/2021	**247,553**	**43,059**	**7,168**	**719**	**298,499**
New contracts	51,403	15,278	1,669	520	68,871
Increases in duration/rent	37,043	1,261	3,134	141	41,579
Decreases in lease periods/rentals and withdrawals	(14,540)	(5,226)	(809)	(112)	(20,687)
Change in scope	15,385	1,641	749	179	17,954
Translation differences	(2,302)	(141)	(174)	4	(2,614)
Gross value - 31/12/2022	**334,543**	**55,872**	**11,737**	**1,451**	**403,602**
Depreciation and amortisation					
Depreciation and amortisation - 31/12/2021	**(100,069)**	**(21 313)**	**(4,548)**	**(336)**	**(126,266)**
Provisions	(46,653)	(13,434)	(2,455)	(444)	(62,986)
Reversals	9,292	4,292	661	94	14,340
Change in scope	(1,313)	(556)	(369)	(163)	(2,401)
Translation differences	1,072	74	121	2	1,269
Depreciation and amortisation - 31/12/2022	**(137,671)**	**(30,937)**	**(6,590)**	**(847)**	**(176,045)**
NET VALUE - 31/12/2022	**196,872**	**24,935**	**5,147**	**604**	**227,557**

Financial lease debt (current and non-current liabilities)

(in thousands of euros)	Real estate	Vehicles	Computer equipment	Other	Total
Lease liability - 31/12/2021	**157,766**	**21,810**	**2,646**	**387**	**182,609**
New contracts	51,471	15,264	1,663	520	68,918
Increases in duration/rent	37,137	1,235	3,134	141	41,647
Decreases in lease periods/rentals and withdrawals	(5,410)	(870)	(134)	(19)	(6,433)
Cash flow (repayments)	(46,983)	(13,473)	(2,459)	(416)	(63,331)
Change in scope	14,915	1,102	366	(13)	16,369
Translation differences	(1,302)	(67)	(54)	7	(1,416)
Lease liability – 31/12/2022	**207,594**	**25,002**	**5,162**	**606**	**238,364**
Current debt	**43,503**	**11,539**	**2,121**	**359**	**57,522**
Non-current debt	**164,091**	**13,462**	**3,041**	**247**	**180,842**

Consolidated income statement and consolidated statement of cash flows

Net income (attributable to) owners of the parent in 2022 is not impacted (with an impact of +€3.1 million on operating profit on activity and -€3.1 million on financial income) with the application of IFRS 16.

In the cash flow statement, the line "Net cash flows from financing transactions" includes disbursements relating to leases for an amount of -€66.4 million (*i.e.* -€63.3 million in respect of the repayment of the lease liability and -€3.1 million in respect of financial interest paid) with the application of IFRS 16. In return, cash flows generated by operations are increased by €66.4 million.

5.3 Non-current assets and depreciation

Only the elements whose cost may be estimated reliably and whose future economic benefits are likely to go to the Group are recognised under tangible or intangible assets.

The depreciation period is based on the estimated useful lives of each of the different categories of assets, depreciated on a straight-line basis:

Intangible assets

- Software/Information Systems 3 to 10 years.

Property, plant and equipment

- Computer equipment 1.5 to 5 years.
- Transport equipment 5 years.
- Office equipment 5 years.
- Fixtures and fittings 10 years maximum.
- Buildings 25 years.

Useful life is reviewed at least annually and adjusted accordingly if the expectations differ significantly from previous estimates.

Development costs

Development costs must be entered as intangible assets as soon as the Company can demonstrate:

- the technical feasibility necessary to complete the development project in anticipation of its placement into service or sale;
- its intention and technical and financial ability to complete the development project;
- that the future economic benefits to be derived from these development expenses are likely to go to the Company;
- and that the cost of the asset can be measured reliably.

All expenses directly attributable to the creation, production and preparation of the asset in view of its planned use are fixed. These expenses are amortised on a straight-line basis according to the applicable asset's probable useful life.

Tangible and intangible assets amounted to €52.6 million at 31 December 2022 (€45.4 million at 31 December 2021). No particular event relating to these items took place during the 2022 financial year.

5.4 Interests in associates

Interests in associates are recognised using the equity-accounted method described in the "Consolidation principle" Section of Note 3.

(in thousands of euros)	BeOne Stuttgart
INTERESTS IN ASSOCIATES AT 31 DECEMBER 2020	1,118
Earnings from associates	62
Capital increase	
Change in scope	
Dividend neutralisation	
INTERESTS IN ASSOCIATES AT 31 DECEMBER 2021	1,180
Earnings from associates	127
Capital increase	
Change in scope	
Dividend neutralisation	(47)
INTERESTS IN ASSOCIATES AT 31 DECEMBER 2022	1,260
Financial data of associates	*
Revenue	5,879
Operating profit	146
Total assets	4,225
Shareholders' equity	2,135

** 2022 data in local Gaap and in thousands of euros.*

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5.5 Non-current financial assets

Non-current financial assets include shares/investments in companies or mutual funds (grouped under the item "equity instruments held"), financial assets held to maturity ("deposits and guarantees") and loans and receivables, whether or not related to equity interests ("other long-term assets").

Equity instruments held are measured at their fair value at each reporting date. The fair value is determined by reference to the last quoted share price for listed securities. In the absence of an active market, they are kept in the statement of financial position at the amount which the Group believes represents their fair value, which is determined based on criteria such as equity share, the net asset value and/or forecasts.

Changes in fair value of these securities are entered either in net income (for the non-consolidated shares of companies created, not exceeding the consolidation thresholds established by the Group) or in other items of comprehensive income without the possibility of recycling through profit or loss (for the other categories of shares). This choice of accounting is irrevocably determined by line of security.

Deposits and guarantees and other long-term assets are valued at amortised cost.

	Book value according to IFRS 9					Hierarchy of the fair value of financial assets at 31/12/2022		
(In thousands of euros)	Amortised cost	FV by comprehensive income	FV by income	31/12/2022	31/12/2021	Level 1	Level 2	Level 3
Equity instruments held		5,000	23,998	28,998	20,430	5,000		23,998
Deposits and guarantees	16,828			16,828	13,625			
Other long-term assets (loans and receivables)(1)	25,562			25,562	23,422			
TOTAL	**42,390**	**5,000**	**23,998**	**71,388**	**57,477**	**5,000**	**-**	**23,998**

(1) Other long-term assets consist in particular of a loan to a company in which the Group has an equity interest.

Equity instruments held include the following investments:

Entity	% interest	Fair value at opening	Acquisition, disposal, reclassi-fication	Variation in FV through compre-hensive income	Variation in FV through income	Fair value at closing	Fair value hierarchical level
PHINERGY LTD	12.83%	17,400		(12,400)		5,000	1
CORTAC	100.00%		14,110			14,110	3
QUALITANCE	100.00%		7,249			7,249	3
OTHER		3,030	255		(647)	2,638	3
TOTAL		**20,430**	**21,615**	**(12,400)**	**(647)**	**28,998**	

The increase in equity instruments held is mainly due to:

- the two acquisitions made at the end of the year (+€21.4 million), described in Note 2.1. These two companies (Qualitance and Cortac) will be consolidated during the first half of 2023;
- the downward revaluation (-€12.4 million) of the shares in Phinergy (listed on the Tel Aviv Stock Exchange).

NOTE 6 SHARE CAPITAL AND EARNINGS PER SHARE

6.1 Share capital

All treasury shares held by the Group are deducted at acquisition cost from equity.

Any gains on the disposal of treasury shares directly increase equity and therefore, any gains/losses on disposals do not affect year-end earnings.

Number of shares (nominal value €1.05)	Shares issued	Treasury shares	Outstanding shares
AT 31 DECEMBER 2021	34,379,483	(460,140)	33,919,343
Capital increases (free share and preferred share plans)	197,043		197,043
Liquidity contract transactions		(7,912)	(7,912)
AT 31 DECEMBER 2022	**3, 576,526**	**(468,052)**	**34,108,474**

Within the framework of a treasury-share buyback programme, the Group proceeded, during the financial year, with the various purchase and sale operations, indicated below:

	31/12/2022	31/12/2021
Unallocated shares		
Shares held at start of year	460,022	460,022
Shares held at closing	460,022	460,022
Liquidity contract		
Shares held at start of year	118	3,943
Shares purchased	180,903	28,717
Shares sold	(172,991)	(32,542)
Shares held at closing	8,030	118
TOTAL	**468,052**	**460,140**

6.2 Earnings per share

Earnings per share is obtained from the ratio of the net income (attributable to) owners of the parent to the annual weighted average number of ordinary shares outstanding during the period, excluding treasury shares.

Diluted earnings per share is obtained from the ratio of net earnings to the potential weighted average number of shares, adjusted for the effect of any potentially dilutive shares (stock options, free shares). The dilution effect is obtained by the number of potential shares that would result from the diluted instruments, less the number of shares that could be bought back at market rates using the funds gained from exercising the instruments concerned, including services to be rendered by employees. The market price retained is that of the average share price during the financial year. The dilutive effect of the equity instrument is taken into account when the exercise price is less than the average market price of the ordinary shares, adjusted for services to be rendered by employees.

(in thousands of euros)	2022	2021
Net income (Group share)	**457,567**	**207,837**
Weighted average number of shares	33,983,744	33,853,876
Earnings per share	**13.46**	**6.14**

(in thousands of euros)	2022	2021
Net income (Group share)	**457,567**	**207,837**
Weighted average number of shares	33,983,744	33,853,876
Effect of dilutions	659,365	599,987
Weighted average number of shares after potential dilution	34,643,109	34,453,863
Diluted earnings per share	**13.21**	**6.03**

6.3 Dividends per share

	2023	2022	2021
Date of the General Meeting deciding on the dividend distribution proposal	30 June 2023	22 June 2022	28 May 2021
Date of payment of dividend		29 June 2022	4 June 2021
Dividend per share (in euros and per share)*	1.50	1.30	1.00
Total amount of distribution (in thousands of euros)		44,144	33,875

** Subject to approval at the next General Meeting on 30 June 2023.*

NOTE 7 NET CASH POSITION

The Group's net cash position breaks down as follows:

(in thousands of euros)		31/12/2022	31/12/2021
Cash at end period	**7.1**	**601,735**	**312,311**
+ Bank borrowings and related debt	**7.2**	(154,689)	(87,222)
+ Bank loans		(28,996)	(5,279)
= Net cash position/(Net debt)		**418,050**	**219,809**

7.1 Cash and cash equivalents

Cash includes bank balances, investments in money market funds and marketable, short-term debt securities (initial maturity of less than three months) and presenting no material risk in terms of loss of value should interest rates fluctuate. In accordance with IAS 7, bank borrowings are treated like financing items.

(in thousands of euros)	31/12/2022	31/12/2021
Marketable securities	13,929	699
Cash and equivalents	587,806	311,612
TOTAL	**601,735**	**312,311**

Marketable securities are given at their fair value. They comprise money market funds (SICAV) and negotiable securities with maturity of less than three months.

Restrictions: the Group operates in countries subject to regulatory exchange controls, which could temporarily render cash unavailable for the Group. The table below shows the cash position at 31 December 2022 in these countries:

Country *(in thousands of euros)*	
Azerbaijan	1,119
China	28,058
Congo	287
India	15,413
Morocco	5,506
Nigeria	791
Ukraine	1,531
TOTAL	**52,704**

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7.2 Current and non-current financial liabilities

Financial liabilities concern borrowings, long-term financial debt and bank overdrafts. Such financial liabilities are initially assessed at fair value, and then at the amortised cost.

Current and non-current financial liabilities are broken down based on whether the items constituting these Sections mature in under one year or over one year.

(in thousands of euros)	31/12/2021	Inc	Repayment	Change in scope	Other (translations adjustments, reclassification)	31/12/2022	Current	Non -current
Bank borrowings and related debt	**87,166**	**78,674**	**(4,454)**	**(10,245)**	**3,548**	**154,689**	**151,180**	**3,498**
Bank borrowings	*6,046*	*66,422*	*(4,063)*	*792*	*(312)*	*68,885*	*66,304*	*2,581*
Market financing	*80,000*	*5,000*				*85,000*	*85,000*	
Other loans and related debt	*1,120*	*7,241*	*(391)*	*(11,037)*	*3,860*	*793*	*(124)*	*917*
Bank overdrafts	**5,279**	**29,958**		**(6,172)**	**(69)**	**28,996**	**28,996**	
Deposits and guarantees received	**160**				**(1)**	**159**	**131**	**28**
Other financial liabilities	**270**	**0**				**270**	**281**	**0**
TOTAL	**92,875**	**108,632**	**(4,454)**	**(16,417)**	**3,478**	**184,114**	**180,587**	**3,526**
		a	**b**					
Change in statement of cash flows financial liabilities (a + b)		**104,178**					**101,219**	**2,959**

Bank borrowings

Bank borrowings amounted to €68.9 million at 31 December 2022.

(in thousands of euros)	31/12/2022	EUR	INR	JPY	USD	Fixed rate	Variable rate
Bank borrowings	68,885	60,870	6,004	1,849	162	2,881	66,004

At 31 December 2022, this item comprised:

- the drawdown of the "Club Deal" for €60 million (short-term variable rate financing) on an open line of €350 million. Effective from 11 March 2022 until 2027, it replaces the €160 million syndicated credit line that was terminated early and voluntarily on 24 January 2022;
- other short, medium and long-term loans denominated in euros for an amount of €0.9 million in euros and €8.0 million in foreign currencies.

Market financing

The amount of debt relating to short-term negotiable debt securities (NeuCP) amounted to €85 million at 31 December 2022 out of a programme for a total amount of €350 million.

Commitments received from banking institutions

In addition, the Group has undrawn credit lines of €39.5 million as at 31 December 2022, increasing to €594.5 million (€225 million as at 31 December 2021) including the Club Deal and NeuCP open drawdowns described above.

7.3 Financial income

Financial income comprises net debt costs and other financial income and expenses.

Net borrowing costs

This includes:

- income from cash and cash equivalents (interest income from cash and cash equivalents, income from the disposal of cash equivalents);
- borrowing costs (interest charges on financing transactions).

Net borrowing costs and financial costs of leases

This is the net borrowing costs minus interest charges relating to leases.

Other financial income and expenses

Other financial income and expenses includes financial income and expenses not included in net borrowing costs:

- financial income (dividends, profits on the disposal of unconsolidated shares, interest income and income from the disposal of other financial assets [excluding cash and cash equivalents], translation gains, discounted financial income, increase in the fair value of financial assets and liabilities measured at fair value through profit or loss, other financial income);
- financial expenses (impairment of unconsolidated securities, losses on disposals of unconsolidated securities, impairment and losses on the disposal of other financial assets [excluding cash and cash equivalents], translation losses, discounted financial expenses, decrease in the fair value of financial assets and liabilities measured at fair value through profit or loss, other financial expenses).

(in thousands of euros)	2022	2021
GROSS BORROWING COSTS	(2,407)	(1,072)
Income from receivables and investments	900	380
NET BORROWING COSTS	(1,507)	(692)
Interest on leases (IFRS 16)	(3,082)	(2,260)
Net borrowing costs and financial costs of leases	**(4,589)**	**(2,952)**
Foreign exchange losses	(8,711)	(10,368)
Other financial expenses	(1,062)	(910)
Discounted financial expenses	(1,197)	(537)
Financial provisions	(1,401)	(646)
Other financial expenses	**(12,371)**	**(12,460)**
Foreign exchange gains	12,254	11,134
Other financial income	6,510	1,989
Financial income as a result of discount	0	0
Reversal of financial provisions	275	595
Other financial income	**19,038**	**13,718**
OTHER NET FINANCIAL INCOME AND EXPENSES	6,668	1,258
NET FINANCIAL INCOME	**2,079**	**(1 694)**

Net financial income for 2022 amounted to €2.1 million and included a capital gain of €4.6 million on the disposal of a stake.

7.4 Financial risk factors

Liquidity risk

Identification of the risk

A prudent liquidity management plan involves keeping a sufficient level of liquid assets and having financial resources through appropriate credit facilities. The Group ensures that it always has sufficient liquidity to meet its commitments, in particular to realise investment opportunities.

Managing risk/Exposure

The Group has:

- centralised cash management when local legislation permits;
- internal procedures to optimise debt recovery;
- a new syndicated credit line of €350 million until 2027 to replace the €160 million "Club Deal" syndicated credit line, which was terminated early and voluntarily on 24 January 2022, *i.e.* two months before maturity;
- €39.5 million in short-term bilateral credit lines and overdraft facilities;
- a short-term negotiable debt securities programme (NeuCP) for €350 million was set up as part of the optimisation and diversification of funding sources.

The "Club Deal" credit line requires the following ratios to be met for each 6-month and 12-month period while the contract is in force and an advance is outstanding:

- ratio R – "Consolidated net financial debt/Consolidated operating profit on activity". This ratio should generally be less than 3 and exceptionally less than 3.5.

At 31 December 2022, these ratios were met.

The Company performed a specific review of its liquidity risk and considers that it is in a position to meet its future commitments and development.

Interest rate risk

Identification of the risk

The interest rate risk to which the Group is exposed arises in particular from the new syndicated "club deal" credit line put in place at the beginning of the 2022 financial year, which is indexed to the Euribor for the interest period in question. It therefore incurs an interest rate risk based on changes in the reference index.

Managing risk/Exposure

Due to low debt levels, the Group did not consider it necessary to arrange interest rate hedging, especially since its financing is short term. The Group's exposure remains limited.

Client credit risk

Identification of the risk

Credit risk represents the risk of financial loss in the event that a client does not fulfil its contractual obligations.

Managing risk/Exposure

The Group's clients are mainly large accounts, thus limiting the risk of insolvency (see Note 4.2 Duration of client relationships). The average collection period for trade receivables is 93 days (86 days in 2021).

The Group has established internal procedures to assess the risk of client insolvency during the pre-sales process and subsequently to efficiently collect these receivables.

The ALTEN Group derives 25.0% (26.0% in 2021) of its revenue from its ten main clients, with its largest client representing 10.3% (9.3% in 2021) of Group revenue, within various legal entities in several countries. There is no identified risk of dependency with regard to a specific client.

Foreign exchange risk

Identification of the risk

Operational foreign exchange risk: Although the Group has a broad international presence, the currency flows linked to its activity, with a few exceptions, are limited to each subsidiary's internal market and primarily converted into local currencies.

Foreign exchange risk: The financing needs of subsidiaries outside the euro zone and some of the Group's financing transactions expose certain entities to a foreign exchange risk (risk linked to the change in value of debts or receivables in currencies other than the operating currency of the lending or borrowing entity). The financing of these foreign currency transactions is generally done through spot purchases or short-term currency swaps in the markets. These transactions represent a small volume in relation to the Group's activity. In general, the Group's external financing is denominated in euros.

Translation foreign exchange risk: Some Group subsidiaries are outside the euro zone, notably in the United States, Sweden, China and the United Kingdom. The financial statements of these subsidiaries, when translated into the consolidation currency, are subject to changes in exchange rates.

Managing risk/Exposure

The Group's exposure to operational and financial foreign exchange risk is limited. Translation risk constitutes the Group's main exposure to foreign exchange risk:

Statement of financial position exposure

	2022								
(in millions of euros)	USD	GBP	SEK	CNY	CAD	INR	CHF	PLN	Other currencies
Trade receivables	87.5	93.7	41.2	40.9	19.2	27.6	16.0	14.3	46.3
Trade payables	18.7	25.5	6.5	3.0	3.4	(16.4)	1.8	3.2	12.8
Cash and cash equivalents	39.0	39.0	0.0	28.1	11.5	15.5	0.2	6.4	45.4
Bank overdrafts	0.3	0.7	0.0	0.9	0.1	2.6	0.0	0.0	0.0
Bank borrowings	0.2	0.0	0.0	0.0	0.0	6.0	0.0	0.0	1.8

Revenue exposure

	2022	
(in millions of euros)	Amount	% of revenue
Revenue denominated in USD	455.6	12.0%
Revenue denominated in GBP	260.2	6.9%
Revenue denominated in SEK	129.5	3.4%
Revenue denominated in CNY	116.5	3.1%
Revenue denominated in CAD	97.4	2.6%
Revenue denominated in INR	92.2	2.4%
Revenue denominated in CHF	66.0	1.7%
Revenue denominated in PLN	52.6	1.4%
Revenue denominated in other currencies	188.9	5.0%
REVENUE EXPOSURE	**1,459.0**	**38.6%**
TOTAL CONSOLIDATED REVENUE	**3,783.1**	**100.0%**

NOTE 8 PROVISIONS AND CONTINGENT LIABILITIES

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised whenever the Group has an obligation towards a third party and it is probable or certain to result in an outflow of resources for the benefit of such a third party. The Group is supported by its external advisers to assess the probability of realisation of the risk and the estimation of the accrual related to disputes and other litigations.

Provisions are discounted when their maturity is estimated to be over one year and when their amount represents a significant factor for the Group.

A restructuring provision is recognised when the Group has approved a formal restructuring plan and has either begun to put it into effect or made it public.

A provision for loss-making contracts is recognised whenever the economic benefits expected to flow from a contract are less than the direct costs of meeting the contracted commitments.

8.1 Provisions

(in thousands of euros)	Labour disputes(1)	Commercial disputes	Other risks(2)	TOTAL
At 31/12/2021	**5,898**	**740**	**12,986**	**19,624**
Reclassification	(57)	47	10	0
Exchange rate variations	(26)	(7)	(18)	(51)
Change in scope	0	0	158	158
Provisions for the financial year	1,930	376	1,680	3,986
Reversals (provisions used)	(938)	(356)	(366)	(1,660)
Reversals (provisions not used)	(2,042)	(170)	(1,605)	(3,818)
AT 31/12/2022	**4,764**	**631**	**12,845**	**18,239**
Of which current provisions	*1,847*	*277*	*5,879*	*8,003*
Of which non-currents provisions	*2,917*	*354*	*6,966*	*10,237*

(1) Labour disputes involve individually insignificant amounts.

(2) Miscellaneous risks pertain to provisions primarily covering social security and tax risks.

8.2 Contingent liabilities

- In the context of two audits of the accounts of a French subsidiary concerning in particular the transfer prices of this company and an English subsidiary over the period 2013-2014 and 2015-2017, the auditing department issued adjustments in respect of corporation tax, withholding tax and CVAE totalling €3.4 million. With regard to the period 2013-2014, the French subsidiary obtained full satisfaction by a ruling of the Montreuil Administrative Court on 20 February 2023. The Administration's time limit for lodging an appeal is two months from the transmission of the ruling to the Minister. For the 2015-2017 period, the audit department responded negatively to the observations on 29 April 2022. After analysis with its advisers, the company decided to maintain the provision for risk in the amount of €0.8 million.

- In the context of two audits of the accounts of the same English subsidiary for which the transfer prices were disputed, over the periods 2009-2015 and 2016-2019, the auditing department considered that the activity of this English subsidiary was that of a permanent establishment in France. The English subsidiary was subject to an adjustment in terms of corporate tax and additional contributions, a minimum professional tax and CVAE contribution in respect of its presumed income, for a total amount of €65.4 million (duties, penalties of 80% and late payment interest included). The English subsidiary disputes these adjustments. It had also paid in full in due time all taxes to which it was subject in the United Kingdom for the periods 2009-2015 and 2016-2019.

For the period 2009-2015, following the contentious claim of the English subsidiary, which led the tax authority to submit the claim to the Montreuil Administrative Court, it was rejected in its entirety in a decision dated 20 February 2023. The General Court did not wish to rule on the consequences of the British company settling UK corporation tax on the same tax base, leading to a *de facto* situation of double taxation in France and the UK. The English subsidiary will appeal this decision to the Paris Administrative Court of Appeal and will continue to monitor the exchanges between the French and UK authorities in the context of the mutual agreement procedure for the settlement of double taxation.

For the period 2016-2019, the Department has not yet responded to the English subsidiary's comments dated 25 August 2022. After having studied in depth the arguments of the French tax authority with its specialised advisers, and considering that the position of the tax authorities is questionable in view of the factual and legal elements that can be invoked, the English company considers that it has all the legitimacy to pursue the litigation procedure and has serious chances of success. Furthermore, at this stage, the company does not have sufficient information to assess and recognise a specific provision corresponding to a reliable estimate of the possible residual risk of reassessment incurred or of the consequence of the double taxation settlement procedure. As a result, no provision has been made in the financial statements in connection with these tax audits.

- In late 2018, the French Competition Authority opened an administrative enquiry into the Engineering and Technology Consulting (ETC) and software publishing industry. ALTEN is a key player in ETC. On the date of this Document, the enquiry was ongoing and it was not possible to assess the potential consequences of this administrative enquiry.

- The Romanian Competition Council opened an investigation at the end of 2021 into suspicions of anti-competitive practices in the labour market regarding skilled/specialised labour in the motor vehicle production and related activities sectors. All ICT players in Romania were subject to inspection and seizure measures. On the date of this Document, the enquiry was ongoing and it was not possible to assess the potential consequences of this administrative enquiry.

NOTE 9 INCOME TAXES

9.1 Breakdown of income tax expense

Operating subsidies and tax credits similar to subsidies are recorded as deductions under the expenses they are intended to offset (mainly employee benefits expense for research tax credits).

The Company value-added contribution (CVAE) in France is recognised under income tax expense.

(in thousands of euros)	2022	2021
Net overall earnings	457,525	207,892
Earnings of equity-accounted companies	(127)	(62)
Impairment of goodwill	0	0
Share-based payments	25,897	17,494
Income tax expense	137,559	78,635
PRE-TAX EARNINGS	**620,855**	**303,960**
Tax rate of the consolidating company	25.83%	28.41%
Theoretical income tax expense	160,367	86,355
Difference in tax rate versus foreign companies	(10,892)	(10,195)
Difference in tax rate versus French companies		799
Tax credits	(6,468)	(7,375)
Inactivated deferred tax assets	(5,001)	579
CVAE (value-added tax) reclassification	5,250	4,667
Other permanent differences	(5,697)	3,804
TAX EXPENSE RECOGNISED	**137,559**	**78,635**
EFFECTIVE INCOME TAX RATE	**22.16%**	**25.87%**
Income tax distribution:		
Deferred tax	(4,441)	(1,574)
Income tax payable	142,000	80,210
TOTAL	**137,559**	**78,635**

The Group's effective tax rate was 22.2% in 2022, down compared to 2021 (25.9%) mainly due to the favourable tax treatment of the capital gain on the disposal of Agile activities and the capitalisation and use of previously unrecognised losses.

9.2 Deferred tax

In accordance with IAS 12 "Income Taxes", deferred tax are recognised whenever there is a temporary difference between the book value of assets and liabilities and their taxation values, and on any recoverable tax losses, according to the liability method.

Tax loss carry-forwards are the object of a deferred tax asset in the statement of financial position when they are likely to be recovered. Recoverability of these taxes is calculated according to the entity's budgets and the applicable tax regulations in the country.

Deferred tax are measured at the rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the rates adopted or substantively adopted at the reporting date.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

Deferred tax receivables and liabilities consist of:

(in thousands of euros)	31/12/2022	31/12/2021
Employee profit-sharing	2,454	1,596
Retirement benefits	2,398	3,584
Restatement for IFRS 16	148	(66)
Other timing differences	7,229	3,925
Tax loss carry-forwards	5,799	2,978
TOTAL DEFERRED TAX	**18,028**	**12,017**
Including:		
Deferred tax assets	*18,941*	*14,877*
Deferred tax liabilities	*(913)*	*(2,860)*

The change in deferred tax assets and liabilities breaks down as follows:

(in thousands of euros)	31/12/2022	31/12/2021
Deferred tax at start of year	**12,017**	**10,657**
Impact on comprehensive income IAS 19	(1,398)	(107)
Change in scope	3,784	1,558
Exchange rate variations	(815)	(1,665)
Expenses (or income) for the period	4,441	1,574
DEFERRED TAX AT YEAR-END	**18,028**	**12,017**

The amount of non-capitalised deferred tax relating to tax loss carry forwards amounted to €12.1 million (€45 million in base) at 31 December 2022.

NOTE 10 ADDITIONAL INFORMATION

10.1 Audit fees

The table below shows Statutory Auditors' fees for ALTEN SA (KPMG and Grant Thornton) in relation to the Group:

	KPMG				GRANT THORNTON			
	Amount		%		Amount		%	
	2022	2021	2022	2021	2022	2021	2022	2021
AUDIT								
Statutory audit, certification, review of financial statements:								
• Issuer	283	252	19%	21%	283	252	19%	19%
• Fully consolidated subsidiaries	1,020	405	70%	33%	1,049	822	69%	60%
SUBTOTAL	**1,302**	**657**	**90%**	**54%**	**1,331**	**1,074**	**88%**	**79%**
SERVICES OTHER THAN CERTIFICATION OF ACCOUNTS								
• Issuer	6	0	0%	0%	3	0	0%	0%
• Fully consolidated subsidiaries	145	560	10%	46%	178	285	12%	21%
including legal, tax, corporate	*20*	*11*	*1%*	*1%*	*27*	*95*	*2%*	*7%*
SUBTOTAL	**151**	**560**	**10%**	**46%**	**181**	**285**	**12%**	**21%**
TOTAL	**1,453**	**1,217**	**100%**	**100%**	**1,512**	**1,359**	**100%**	**100%**

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10.2 Related-party transactions

Remuneration and benefits granted to Executive Corporate Officers[1]

Simon AZOULAY	2022		2021	
	Amount paid	Amount due	Amount paid	Amount due
• fixed remuneration	€ 336,000	€ 400,000	€ 336,000	€ 350,000
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• Directors' fees[2]	€ 450,000	€ 450,000	€ 450,000	€ 450,000
• benefits in kind	€ 3,955	€ 6,000	€ 3,955	€ 6,000
TOTAL	**€ 789,955**	**€ 856,000**	**€ 789,955**	**€ 806,000**

Gérald ATTIA	2022		2021	
	Amount paid	Amount due	Amount paid	Amount due
• fixed remuneration	€ 252,000	€ 260,000	€ 252,000	€ 260,000
• variable remuneration	None	None	None	None
• extraordinary remuneration	None	None	None	None
• Directors' fees	€ 74,000	€ 74,000	€ 94,000	€ 84,000
• benefits in kind	€ 3,705	€ 5,000	€ 3,705	€ 5,000
TOTAL	**€ 329,705**	**€ 339,000**	**€ 349,705**	**€ 349,000**

(1) The amounts are expressed in gross values.

(2) Directors' fees received through the SGTI company, of which Mr AZOULAY is Chairman and sole partner.

Remuneration and benefits granted to non-Executive Corporate Officers

The Board of Directors has awarded Directors' fees to non-executive Board members for the 2022 financial year.

	2022		2021	
	Amount paid	Amount due	Amount paid	Amount due
Aliette MARDYKS				
Directors' fees	*€ 21,000*	*€ 21,000*	*€ 24,000*	*€ 21,000*
Other remuneration	*None*	*None*	*None*	*None*
Evelyne FELDMAN				
Directors' fees			*€ 16,500*	*None*
Other remuneration	*None*	*None*	*None*	*None*
Philippe TRIBAUDEAU				
Directors' fees	*€ 21,000*	*€ 21,000*	*€ 24,000*	*€ 21,000*
Other remuneration	*None*	*None*	*None*	*None*
Marc EISENBERG				
Directors' fees	*€ 15,000*	*€ 10,500*	*€ 18,000*	*€ 15,000*
Other remuneration	*None*	*None*	*None*	*None*
Jane SEROUSSI				
Directors' fees	*€ 10,000*	*€ 9,000*	*€ 12,000*	*€ 10,000*
Other remuneration	*None*	*None*	*None*	*None*
Emily AZOULAY				
Directors' fees	*€ 14,500*	*€ 15,000*	*€ 16,500*	*€ 14,500*
Other remuneration	*None*	*None*	*None*	*None*
Maryvonne LABEILLE				
Directors' fees	*€ 18,000*	*€ 19,500*	*None*	*€ 18,000*
Other remuneration	*None*	*None*	*None*	*None*
TOTAL	**€ 99,500**	**€ 96,000**	**€ 111,000**	**€ 99,500**

Information concerning defined-contribution schemes for Corporate Officers

Social security contributions recorded for the financial year 2022 for executives amounted to €352,000 (€354,000 in 2021).

Related-party transactions

Non-consolidated subsidiaries, Group associates or companies controlled directly by the Group's Directors.

On the income statement

	31/12/2022	31/12/2021
Revenue	15	15
Other operating income (expenses)	(1,899)	(1,783)
Financial income (expenses)	809	914
TOTAL	**(1,076)**	**(854)**

On the statement of financial position

	31/12/2022	31/12/2021
Long-term financial assets	20,225	20,608
Trade receivables	18	18
Other receivables	2,064	3,470
ASSETS	**22,307**	**24,095**
Trade payables	0	1
Other debt	14	0
LIABILITIES	**14**	**1**

10.3 Information on the statement of cash flows

Changes in depreciation, provisions and other calculated income/expenses	31/12/2022	31/12/2021
Amortisation of intangible assets	3,530	3,634
Depreciation of property, plant and equipment	14,356	11,715
Depreciation/amortisation of right-of-use assets	62,985	57,243
Impairment of goodwill	0	0
Provisions for risks and expenses	246	2,857
Other income and calculated expenses	5,364	1,413
TOTAL	**86,481**	**76,862**

Breakdown of taxes paid	31/12/2022	31/12/2021
Repayments received	12,517	24,280
Payments made	(106,095)	(68,212)
TOTAL	**(93,578)**	**(43,933)**

Impact of changes in scope and earn outs	31/12/2022	31/12/2021
Acquisitions and disposals of shares of consolidated subsidiaries	104,471	(141,061)
Cash from new consolidated subsidiaries	35,939	59,092
Payment of earn-outs	(33,538)	(22,358)
Cash from deconsolidated subsidiaries	(19,433)	(220)
TOTAL	**87,439**	**(104,548)**

6.1.7 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2022

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of ALTEN S.A.,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Alten S.A. for the year ended December 31, 2022.

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

The audit opinion expressed above is consistent with our report to the Audit Committee.

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 independence rules applicable to us, for the period from January 1st, 2022, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments - Key Audit Matters

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 key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

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

Goodwill valuation

- ***Key Audit Matter***

As of December 31, 2022, the balance sheet shows Goodwill for a net book value of €1,020.9 million, representing 30% of total assets.

Goodwill is allocated to Cash-Generating Units (CGU) or to groups of cash-generating units that can benefit from business combinations that resulted in Goodwill. These assets are not amortized and are subject to an impairment test at least once a year, as disclosed in note 5.1 of the consolidated financial statements.

CGUs correspond to the legal entities or to relevant business combinations of legal entities.

The annual impairment tests are based on the value in use of each CGU, determined on the basis of estimated discounted future net cash flows. When value in use falls below the net book value of the CGU, the difference is recorded as an impairment loss in operating income; it is first allocated to Goodwill.

The CGU flows are determined using projections based on the following assumptions (Note 5.1 of the consolidated financial statements):

- A 4-year financial budget plan established by the entity and validated by the Group's Finance Division, updated when the year-end budget is prepared.
- Cash flow beyond the four–year period is extrapolated to calculate terminal value, taking into account a perpetual growth rate, and;
- Discount rates based on the weighted average cost of capital, resulting from risk-free rates, market and country risk premiums, beta coefficient and the cost of debt (net of corporate tax).

We considered the valuation of goodwill as a key audit matter, given the weight of these assets in the consolidated balance sheet, the importance of management's judgment in determining cash flow assumptions, discount rates and long-term average growth rate, as well as the sensitivity of the valuation of their value-in-use to these assumptions.

- ***Our audit approach***

As part of our audit, we examined the process implemented by the Company regarding the performance of impairment tests.

We performed procedures on the CGUs that we considered the most risky, and controlled:

- The consistency and the reasonableness of assumptions used to forecast revenue and margin compared with the performance history of the Group and the economic and financial environment in which the Group operates;
- The reasonableness of the discount and perpetual growth rates applied to the estimated cash flows by assessing, with the support of our valuation specialists, the parameters used with external references;

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- Management's analysis of the sensitivity calculations to variance in the main assumptions used;
- The calculation of value in use.

We also verified that the notes to the consolidated financial statements provided appropriate information.

Tax inspection

- ***Key Audit Matter***

The Group operates in a large number of countries. It is therefore subject to many specific local regulations, in particular tax regulations, which are sometimes subject to interpretation in terms of their application and may generate tax disputes.

As indicated in Note 8 "Provisions and contingent liabilities" to the consolidated financial statements, a provision is recognized when the Group has an obligation to a third party and it is probable or certain that it will result in an outflow of resources to the third party. The Group relies in particular on its advisors to assess the probability of realization of risks and to estimate provisions for litigation and disputes.

As indicated in Note 8.2 "Contingent liabilities", the Group is subject to accounting verifications relating in particular to transfer prices between a French subsidiary and an English subsidiary. The English subsidiary has been reassessed for a total amount of 65.4 million euro. After analysis with its external advisors, the English company considers that it has every right to pursue the litigation procedure and has a serious chance of success. The company does not have sufficient information to assess and record a specific provision corresponding to a reliable estimate of the possible residual risk of reassessment or of the consequences of the double taxation settlement procedure. Accordingly, no provision has been made in the accounts in relation to this tax inspection.

We considered the risks relating to tax inspections as a key audit matter due to (i) the importance of any tax litigations that may impact the Group's results, and (ii) the complex technical analyses required for such an assessment.

- ***Our audit approach***

We assessed, with the assistance of our tax specialists, the judgments made by Management and the reasonableness of the estimates taken into account to determine the provisions for tax adjustments.

Regarding the tax risk described above, we performed the following procedures:

- We performed interviews with the Group's Management and local management to assess the current state of investigations carried out and notified tax adjustments by tax authorities and follow developments of contestations and ongoing litigation or pre litigation procedures;
- We consulted recent decisions and correspondence from the Group's entities with the local fiscal authorities,
- We carried out a critical review of the estimates and positions taken by Management and of the opinions of its external advisors;

We have also assessed the appropriateness of the information presented in Note 8.2 to the consolidated financial statements.

Specific Verifications

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

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

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) is included in the Group's management report, it being specified that, in accordance with Article L. 823-10 of this code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

In addition, the information required by Article 8 of the Taxonomy Regulation (EU) 2020/852 included in the extra-financial performance statement calls for the following observation on our part: the analysis of information relating to the Taxonomy was conducted solely within the scope of France and not the consolidated scope of the ALTEN Group.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation

Based on our work performed, we conclude that the presentation of the financial statements for inclusion in the annual financial report complies, in all material respects, with the single European electronic reporting format.

We are not responsible to verify that the financial statements which will be included by your company in the annual financial report filed on the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of ALTEN by your General Annual Meetings held on June 18, 2015 for KPMG Audit IS and June 25, 2003 for Grant Thornton.

As at December 31, 2022, KPMG Audit IS was in its 8th year of total uninterrupted engagement, and Grant Thornton was in its 20th year of total uninterrupted engagement.

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 Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

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 taken 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.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

French original signed by

Paris la Défense, on April 27th, 2023

KPMG Audit IS

Jean-Marc Discours
Partner

Xavier Niffle
Partner

Neuilly-Sur-Seine, on April 27th, 2023

Grant Thornton
French Member of Grant Thornton International

Jean-François Baloteaud
Partner

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6.2 SEPARATE FINANCIAL STATEMENTS

6.2.1 STATEMENT OF FINANCIAL POSITION

6.2.1.1 Statement of financial position assets

(in thousands of euros)	Gross	Depreciation and amortisation Impairments	31/12/2022	31/12/2021
Intangible assets	54,311	19,563	34,748	35,775
Property, plant and equipment	36,141	25,247	10,894	7,652
Financial assets	304,711	2,354	302,357	290,568
FIXED ASSETS	**395,164**	**47,164**	**348,000**	**333,994**
Trade receivables	217,939	966	216,973	167,051
Other receivables	326,256	211	326,046	325,521
Marketable securities	5,746	233	5,513	25
Cash and equivalents	2,812		2,812	2,243
Prepaid expenses	7,997		7,997	9,210
CURRENT ASSETS	**560,751**	**1,410**	**559,341**	**504,050**
Unrealised foreign exchange losses	42		42	2
TOTAL	**955,957**	**48,574**	**907,383**	**838,047**

6.2.1.2 Statement of financial position liabilities

(in thousands of euros)	31/12/2022	31/12/2021
Capital	36,305	36,098
Paid-in capital	60,250	60,250
Reserves and retained earnings	390,665	338,180
Profit for the year	87,570	96,836
SHAREHOLDERS' EQUITY	**574,790**	**531,365**
PROVISIONS FOR RISKS AND EXPENSES	**5,371**	**8,526**
Loans and related debt	85,055	80,015
Miscellaneous borrowings and financial liabilities	23,063	31,112
Trade payables	68,745	59,923
Taxes and social security charges payable	96,100	85,914
Other debt	47,003	33,563
Deferred income	7,185	7,616
DEBT	**327,151**	**298,143**
Unrealised foreign exchange gains	70	12
TOTAL	**907,383**	**838,047**

6.2.2 INCOME STATEMENT

(in thousands of euros)	2022	2021
NET REVENUE	**618,058**	**542,173**
Reversal of depreciation, amortisation and provisions, transfers of expenses	6,147	4,858
Other income	17,924	12,352
Operating revenue	**642,129**	**559,382**
Other external purchases and costs	286,940	221,090
Taxes other than on income	16,841	16,039
Employee benefits expense	320,717	300,751
Depreciation, amortisation and provisions charges	6,035	7,590
Other operating expenses	5,151	6,695
Operating expenses	**635,684**	**552,166**
OPERATING PROFIT	**6,445**	**7,216**
FINANCIAL INCOME	**64,365**	**81,749**
CURRENT PROFIT BEFORE TAX	**70,810**	**88,965**
NON-RECURRING PROFIT	**6,039**	**52**
Employee profit-sharing		
Income tax	(10,721)	(7,819)
PROFIT FOR THE YEAR	**87,570**	**96,836**

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6.2.3 APPENDIX

6.2.3.1 General information on ALTEN SA

Founded in 1988, ALTEN is the European leader in the Engineering and Technology Consulting (ETC) market.

ALTEN SA carries out design and research projects for the Technical and Information Systems Divisions of major clients in the industrial, telecommunications and service sectors.

ALTEN SA works with its clients through various types of contracts:

- consulting;
- in Work Packages or "global platforms". These services are generally provided by committing resources and billed on a time-spent basis, or in work units;
- fixed-price projects under which ALTEN is bound by an obligation to achieve results at a fixed price. This business represents less than 10% of activity.

The scope of ALTEN SA's business covers all outsourced Engineering and Technology Consulting services.

The ALTEN Group's consolidated financial statements are available at: www.alten.com [(1)], in the "Investors" Section.

6.2.3.2 Key events

6.2.3.2.1 Business activity

2022 saw satisfactory organic growth of more than 9%. The majority of sectors are growing, in particular the Aeronautics/Space sector, which contributed significantly to growth and is now above its pre-crisis level. Activity continues to rise in early 2023.

6.2.3.2.2 Other information

In the first half of 2022, €44,144 thousand in dividends were paid to shareholders in respect of the financial year 2021.

In December 2022, ALTEN SA sold the investment securities of The Positive Thinking Company, held at 6%.

In 2022, ALTEN SA entered into a syndicated credit agreement in the amount of €350,000 thousand effective from 11 March 2022 until 2027 to replace a syndicated credit line in the amount of €160,000 thousand, which was terminated early and voluntarily on 24 January 2022, two months before maturity.

Extension since July 2022 of a short-term negotiable debt securities programme (NeuCP) set up in January 2021, the amount of which has been increased from €250,000 thousand to €350,000 thousand in order to bring it into line with the amount of the Syndicated Credit Line.

6.2.3.3 Events after the reporting period

On 1 January 2023, ALTEN SA dissolved the subsidiary ALTEN AEROSPACE by merging its assets into ALTEN SA.

6.2.3.4 Accounting principles and policies

The accounting principles and methods applied by ALTEN SA are compliant with the generally accepted accounting standards in France (*Plan Comptable Général*) pursuant to ANC (*Autorité des Normes Comptables*) regulation 2014-03 of 5 June 2014 as amended by ANC regulations 2015-05, 2015-06, 2016-07 and 2018-07.

General accounting conventions have been applied, in accordance with the principle of prudence and the fundamental accounting concepts of:

- service continuity;
- permanent nature of accounting policies from one financial year to the next;
- independence between financial years; and
- these accounting conventions are also applied in accordance with the general rules for preparing and presenting annual financial statements.

The main accounting policies used are as follows:

6.2.3.4.1 Change in accounting policies

None.

6.2.3.4.2 Non-current assets

Tangible and intangible assets are valued at acquisition or production cost.

(1) *The information on the website www.alten.com is not part of the Universal registration document. As such, this information has not been reviewed or approved by the AMF.*

Depreciation and amortisation are calculated on a straight-line basis over the following estimated useful lives:

• development costs	five to ten years;
• concessions, patents, IT licenses	one to three years;
• transport equipment	five years;
• office and IT equipment	one to five years;
• office furniture	five to ten years;
• fixtures, fittings	three to ten years;
• technical facilities, equipment and tools	one to ten years.

Development costs are capitalised as intangible assets and all expenses directly attributable to the creation, production and preparation of the asset in view of its planned use are capitalised.

Information Systems are amortised over five to ten years.

Residual values and expected lifespans are reviewed at least once a year and are modified if expectations differ significantly from previous estimates.

All depreciation and amortisation charges are recognised under operating expenses.

6.2.3.4.3 Business assets

Business assets are valued at their acquisition cost. These are not amortised but are tested for impairment. The recoverable value is based on the discounted future cash flow generated by the continued use of the assets tested. The discounting is applied at a rate corresponding to the weighted average cost of capital.

The main criteria chosen for the application of the valuation method using Discounted Cash Flow are described under the heading "Investment securities".

6.2.3.4.4 Investment securities

The gross value of investment securities is recorded on the statement of financial position at acquisition cost. The acquisition cost of investment securities comprises a fixed portion paid at the time an interest is acquired and any variable earn-outs based on the acquired entity's activity and future revenues. These earn-outs are recognised under investment securities against debt on non-current assets. They are carried in the statement of financial position under other debt.

When the value in use of the securities is less than the net book value, a provision for impairment is recorded for the difference.

Value in use is assessed by reference to:

- either at the discounted value of cash flows (Discounted Cash Flow), adjusted for net debt. Value in use is determined through:
  - a four-year financial budget prepared by the entity and validated by the Group's Financial Department, updated when the year-end budget is prepared. The cash flow beyond the four-year period is extrapolated, taking into account a perpetual growth rate,
  - perpetual growth rate: this growth rate does not exceed the long-term average growth rate for the business sector,
  - discount rate: this rate corresponds to the weighted average cost of capital, derived from risk-free interest rates, country and market risk premium, beta coefficient and the cost of debt,
  - net debt (except for business assets);
- the share of net assets revalued for holding companies.

The growth rate and discount rate assumptions used in the valuation of all investment securities have been reviewed in line with changes in global market data.

6.2.3.4.5 Treasury shares

Treasury shares are recorded in the following accounts:

- financial assets when they are held for the purpose of covering stock options or other employee shareholding systems;
- marketable securities:
  - when they are allocated to a "liquidity contract" entrusted to an agent to promote liquidity of securities and share price liquidity, or
  - when they are held for delivery to employees of the Company or its subsidiaries.

They appear on the statement of financial position at their acquisition cost. The FIFO method is used to determine the gross value of treasury shares sold. If the value of treasury shares allocated to the liquidity contract is less than their acquisition value, the shares are subject to impairment testing. Treasury shares held for delivery to its own employees are subject to provisioning calculated *pro rata* for the vesting period just ended. Treasury shares held for delivery to its subsidiaries' employees are not subject to impairment testing, to the extent the cost of such treasury shares equals the increased cost price, if applicable management fees will be rebilled when they are delivered to employees of its subsidiaries.

6.2.3.4.6 Trade receivables

Trade receivables are valued at nominal value. They are individually valued and, where applicable, impaired to account for any difficulties in collecting certain amounts.

Any such impairment is recognised once there is an indication of the inability to recover the full amount, such as bankruptcy procedures or non-payment by the due date. The amount of the impairment or reversal is recognised as operating profit.

For any trade receivables that are not subject to individual impairment, the impairment method applied is a statistical one.

6.2.3.4.7 Marketable securities

Marketable securities other than treasury shares (see 3.4.5) are mutual funds and are valued at their historical cost or at their inventory value if this is lower.

6.2.3.4.8 Provisions for risks and expenses

Provisions for risks and expenses are recorded at year-end whenever the Company has an obligation towards a third party which is likely or certain to result in an outflow of resources for the benefit of such a third party, with no anticipated consideration of at least equal value.

The estimate of the amount recorded under the provisions is the expense the Company is likely to incur to discharge the obligation.

Among these provisions are retirement benefits as estimated by an independent actuarial firm, in compliance with ANC Recommendation 2013-02.

Benefits payable to retiring employees are calculated on the basis of the current headcount at reporting date. It is based on the following items:

Presentation of actuarial assumptions	31/12/2022	31/12/2021
Discount rate	**3.75%**	**1.00%**
Revaluation rate for employees		
Managerial staff	3.00%	1.50%
Non-managerial staff	3.00%	2.00%
Employer contribution rate		
Managerial staff	40.00%	40.00%
Non-managerial staff	40.00%	40.00%
Mortality table		
For women	INSEE TF 15/17	INSEE TF 15/17
For men	INSEE TH 15/17	INSEE TH 15/17
Retirement age		
Managerial staff	65 years	65 years
Non-managerial staff	60 to 62 years	60 to 62 years

The proposed discount rate corresponds to the yield on AA-rated corporate bonds in the euro zone, adjusted for the duration of ALTEN SA's commitments.

ALTEN SA relies on its external advisers to assess the probability of occurrence of the risks and the estimation of the provisions for disputes and other litigations.

6.2.3.4.9 Translation differences on assets and liabilities denominated in foreign currencies

Income and expenses in foreign currencies are recorded at their exchange value on the transaction date.

Receivables and debts in foreign currency are recorded in the statement of financial position at their exchange value on the year-end date. The difference resulting from the discounting of debts and receivables in foreign currency at this latest rate is recognised in unrealised foreign exchange gains or losses with a provision recorded for exchange rate risk.

Translation differences resulting from the remeasurement of cash and equivalents are taken to profit and loss, unless the cash and equivalents are part of a hedge relationship. In this case, the translation differences are entered in the statement of financial position and the principles of hedge accounting are applied.

Our Company does not have hedging instruments.

Translation differences for operating debts and receivables (actual or provisioned) are recognised in operating profit or loss. Translation differences for liabilities and financial receivables (actual or provisioned) are recognised in financial income.

6.2.3.4.10 Income recognition

Revenues are recognised over the period in which services are rendered. They are recognised according to the type of service, as follows:

- on a time-worked basis: revenues are recognised on the time spent multiplied by an hourly, daily or monthly rate;
- fixed-price project: revenues are recognised according to the percentage of completion method, proportionally to the expenses incurred. Loss-making contracts give rise to recognition of a contract loss provision corresponding to the total expected loss less any losses already recorded in advance. Fixed-price transactions represent less than 10% of revenue;
- for the Work Packages method: income recognition varies according to the nature of the commitment of providing resources. When the Work Packages is part of a global cost-based scheme, income is equal to time spent multiplied by an hourly, daily or monthly sales rate; when it is part of an outsourced platform for which billing is on a monthly or quarterly fixed-price basis, income is recognised on a monthly basis according to the amount of the agreement, independent of the actual time spent by the consultants; lastly, when it is part of a service commitment package (Work Packages), revenue is recognised as and when deliverables and/or performance indicators (work units) are received/validated by the client and for which the price has been fixed in the Work Packages contract.

6.2.3.4.11 Tax consolidation

ALTEN SA follows a tax consolidation regime in which it is the Group's holding company.

Under this agreement, ALTEN SA is solely liable for payment of corporation tax on behalf of subsidiaries, which are responsible for indemnifying ALTEN SA for this expense. In the event a subsidiary records a loss, this is also transferred to ALTEN SA. This loss is not repaid to the subsidiary in the event of exclusion from the tax consolidation scope.

6.2.3.5 Tables and Notes to the statement of financial position

6.2.3.5.1 Gross non-current assets

(in thousands of euros)	31/12/2021	Increases	Decreases	31/12/2022
Intangible assets	53,807	581	77	54,311(1)
Property, plant and equipment	32,750	6,960	3,569	36,141(2)
Financial assets	290,585	28,989	14,863	304,711(3)
TOTAL	**377,142**	**36,530**	**18,509**	**395,164**

(1) At 31/12/2022, intangible assets comprise business assets mainly from universal asset and liability transfers for €33,506 thousand and IT projects and licences for €20,805 thousand.

(2) The increases relating to property, plant and equipment relate to the fixtures and fittings for the new premises leased in 2022.

(3) The increases in financial assets mainly concern the granting of loans to subsidiaries in the context of acquisitions for a total amount of €22,206 thousand (including interest), the recapitalisation of two subsidiaries for €4,628 thousand and the payment of guarantee deposits for €2,155 thousand. The decreases concern the disposal of shares in a company held at 6%, the return of guarantee deposits paid for €1,348 thousand and the repayment of loans granted to subsidiaries for €12,257 thousand including interest.

6.2.3.5.2 Depreciation and impairment

(in thousands of euros)	31/12/2021	Increases	Decreases	31/12/2022
Intangible assets	17,827	1,589	59	19,357(1)
Property, plant and equipment	25,098	3,705	3,556	25,247
Financial assets	18	2,337		2,354(2)
TOTAL	**42,942**	**7,630**	**3,614**	**46,958**

(1) No impairment was recorded for business assets during the financial year.

(2) The increases concern the impairment of securities and impairment of the loan of a subsidiary.

6.2.3.5.3 Breakdown of financial assets

(in thousands of euros)	31/12/2021	Increases	Decreases	31/12/2022
Investment securities	204,512	4,628	1,258	207,882(1)
Related receivables	71,683	19,205	12,257	78,631(2)
Other equity interests	8,713			8,713
Loans	13	3,001		3,014(3)
Other financial assets	5,665	2,155	1,348	6,471(4)
TOTAL	**290,585**	**28,989**	**14,863**	**304,711**

(1) The increases mainly concern the recapitalisation of two subsidiaries for €4,628 thousand. The decreases concern the disposal of investment securities of a company held at 6% for €1,258 thousand.

(2) The increases mainly concern the granting of loans to subsidiaries in the context of acquisitions for a total amount of €19,205 thousand (including interest). The decreases correspond to repayments of loans granted to subsidiaries for a total amount of €12,257 thousand (including interest).

(3) The increases mainly concern the granting of vendor loans granted as part of the disposal of an equity interest.

(4) The "Other financial assets" item relates exclusively to guarantee deposits paid in the amount of €2,155 thousand for increases, and repayments received in the amount of €1,348 thousand for decreases.

6.2.3.5.4 Provisions and impairment

(in thousands of euros)	31/12/2021	Increases	Decreases	31/12/2022
Regulated provisions				
Provisions for risks				
Provisions for litigation	1,429	393	713	1,109
Other provisions for risks	2	40		42
Provisions for charges				
Provisions for retirement benefits	6,262		2,042	4,221
Other provisions for charges	833		833	
TOTAL PROVISIONS	**8,526**	**433**	**3,588**	**5,371**
Impairments				
For intangible assets	206			206
For property, plant and equipment				
For financial assets	18	2,337		2,354[1]
For accounts receivable	1,260	255	550	966
Other	178	327	61	444
TOTAL IMPAIRMENTS	**1,661**	**2,919**	**610**	**3,970**

(1) Provisions concern an impairment on investment securities and an impairment on a loan from a subsidiary.

IMPACT *(in thousands of euros)*	Provisions	Reversals	
		Prov. Used	Prov. not used
Operating profit	742	718	3,480[1]
Financial income	2,610		
Non-recurring profit			
TOTAL	**3,352**	**718**	**3,480**

(1) Reversals of unused provisions mainly concern the provision for retirement benefits for €2,029 thousand.

The table below presents the main actuarial assumptions and structural operating assumptions used for impairment tests on investment securities.

The growth rate and discount rate assumptions used in the valuation of all Cash-Generating Units were revised in light of general market data.

COUNTRY	Average annual revenue growth rate 2022-2027	Perpetual growth rate	Weighted average cost of capital (WACC)
France	7%	2%	9.2%
North America	9%	2%	9.7%
UK	13%	2%	9.6%

6.2.3.5.5 Maturity of receivables and payables

RECEIVABLES BY ITEM *(in thousands of euros)*	Gross amounts	Within one year	More than a year away
Receivables, fixed assets			
Receivables from companies in which an equity interest is held	78,631	14,131	64,500
Loans	3,014	13	3,001
Other financial assets	6,471	1,876	4,595
Receivables, current assets			
Trade receivables	217,939	217,939	
Personnel and social security receivables	581	581	
State, income tax	37,041	6,161	30,880[1]
State, value-added tax	14,506	14,506	
Groups and associates	268,047	268,047	
Other receivables	6,081	6,081	
Prepaid expenses	7,997	7,997	[2]
TOTAL RECEIVABLES	**640,309**	**537,333**	**102,977**

(1) Corresponds mainly to receivables from the CIR and the sponsorship tax reduction not deducted from corporation tax.
(2) Of which €4,423 thousand relates to maintenance, €1,510 thousand to financial fees and €959 thousand to rent and service charges.

LIABILITIES BY ITEM *(in thousands of euros)*	Gross amounts	Within one year	More than a year and less than five years	More than five years
Loans and debts with credit establishments	85,055	85,055		
Miscellaneous borrowings and financial liabilities	6	6		
Trade payables	68,745	68,745		
Personnel and social security debts	52,062	52,062		
Tax liabilities	44,038	44,038		
Debts on non-current assets and related accounts				
Groups and associates	23,057	23,057		
Other debt	47,003	35,976	7,513	3,513
Deferred income	7,185	7,185		
TOTAL DEBTS	**327,151**	**316,125**	**7,513**	**3,513**

6.2.3.5.6 Outstanding charges

OUTSTANDING CHARGES BY ITEM *(in thousands of euros)*	**31/12/2022**
Loans and debts with credit establishments	38
Miscellaneous borrowings and financial liabilities	
Advances and deposits received on orders in progress	
Trade payables	15,907
Taxes and social security charges payable	48,596
Debts on non-current assets and related accounts	
Other debt	33,599
TOTAL	**98,140**

6.2.3.5.7 Revenue accruals

REVENUE ACCRUALS BY ITEM *(in thousands of euros)*	**31/12/2022**
Receivables from companies in which an equity interest is held	2 812
Other financial assets	
Trade receivables	43,090
Personnel and related accounts	
Social security and other social organisations	
State and other public authorities	7,733
Other receivables	5,292
Cash and equivalents	
TOTAL	**58,927**

6.2.3.5.8 Cash and cash equivalents and marketable securities

These mainly consist of money market funds whose underlying surplus was immaterial at 31 December 2022.

6.2.3.5.9 Prepaid expenses

PREPAID EXPENSES BY NATURE *(in thousands of euros)*	**31/12/2022**
Operating expenses	6,734(1)
Financial expenses	1,263
Exceptional expenses	
TOTAL	**7,997**

(1) Of which €4,423 thousand relates to maintenance, €1,510 thousand to financial fees and €959 thousand to rent and service charges.

6.2.3.5.10 Deferred income

DEFERRED INCOME BY NATURE *(in thousands of euros)*	**31/12/2022**
Operating revenue	7,185
Financial income	
Exceptional income	
TOTAL	**7,185**

6.2.3.5.11 Change in shareholders' equity

DATES/VALUES *(in thousands of euros)*	Number of shares	Capital	Additional paid-in capital	Capital reserve	Other reserves	RAN	Earnings	Equity
AT 31 DECEMBER 2021	**34,379,483**	**36,098**	**60,250**	**3,595**	**334,585**		**96,836**	**531,365**
2021 allocation of earnings				15	52,678		(96,836)	
Dividends paid in 2022								(44,144)
Capital increase	197,043	207			(207)			(1)
Earnings at 31 December 2022							87,570	87,570
AT 31 DECEMBER 2022	**34,576,526**	**36,305**	**60,250**	**3,610**	**387,055**		**87,570**	**574,790**

(1) The number of shares issued in 2022 corresponds to the definitive allocation of free shares and the conversion of free Preferred B shares. Capital increases relating to these allocations and conversions were carried out by incorporation of existing reserves.

At 31 December 2022, the nominal value of one share was €1.05.

6.2.3.5.12 Information on share capital

At 31 December 2022, 960,789 ordinary shares could be issued following the allocation of free and Preferred Shares.

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6.2.3.5.13 Share-based payments

ALTEN SA's Board of Directors allocated free shares during the financial year under the authorisations granted by the General Meeting of 22 June 2022. This allocation was the subject of two separate plans, the main terms of which are presented, along with those of the plans of previous years, in the table below:

Plans

Date awarded by the Board of Directors	**24/10/2018**	**18/06/2019**	**18/06/2019**	**15/11/2019**	**27/10/2020**	**27/10/2020**	**27/10/2020**	**23/02/2021**	**23/02/2021**	**27/10/2021**	**27/10/2021**	**26/10/2022**	**26/10/2022**
Class of financial instruments awarded	Ordinary share	Preferred B share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share	Ordinary share
Number of financial instruments awarded	100,450	814	49,550	150,000	163,365	164,500	10,000	109,450	13,500	105,850	116,825	59,700	116,455
of which number awarded to employees	*100,450*	*391*	*49,550*	*150,000*	*163,365*	*54,500*	*10,000*	*109,450*	*13,500*	*105,850*	*116,825*	*59,700*	*116,455*
of which number awarded to Corporate Officers	*0*	*423*	*0*	*0*	*0*	*110,000*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Number of instruments voided over the period	7,200		2,400	9,000	52,758		0	3,700	0		600		
Number of instruments subscribed for over the period	78,050				62,205		10,000						
Number of instruments outstanding at 31/12/2022	0	0	42,550	138,900	0	149,500	0	105,150	13,500	105,850	116,225	59,700	116,455
Fair value of the financial instruments *(in euros)*	73.7	4,899.9	92.5	96.4	76.7	75.7	76.7	84.9	85.9	132.5	130.6	117.9	115.7
Final award date	24/10/2022	18/06/2021	18/06/2023	15/11/2023	27/10/2022	27/10/2023	27/10/2022	23/02/2024	23/10/2023	30/10/2023	27/10/2025	26/10/2024	26/10/2026
Final award conditions	Presence and performance	Presence	Presence and performance	Presence and performance	Presence	Presence and performance	Presence	Presence and performance	Presence	Presence	Presence and performance	Presence	Presence and performance
Lock-up/Non-transferability period	None	18/06/2023	None	None	None	None	None	None	None	None	None	None	None

For plans awarded in 2019, at the end of the lock-up period, the Preferred B shares may be converted into ordinary shares provided that the performance and presence criteria are met over four years.

The conversion parity is: 1 preferred share = (100 x M x Revenue Coef) x 20% + (100 x M x OPA Coef) x 80%.

Growth in relation to revenue	Translation coefficient linked to revenue growth (Rev Coef)	Growth in OPA	Translation coefficient linked to OPA growth (OPA Coef)	Presence-based multiplying coefficient (M)
> or = 26%	100%	> or = 20.0%	100%	
22.0%	80%	17.4%	80%	Default = 0.01
18.0%	60%	15.0%	60%	
14.0%	40%	12.1%		Presence on third anniversary of award = 0.1
10.0%	20%	10.0%	40%	
< 10.0%	0%	< 10.0%	0%	Presence on fourth anniversary of award = 1

For the free share plans awarded in 2018, 2019, 2020, 2021 and 2022:

- the shares of the democratic plan of 27/10/2020, and those of the other plans subject to a single presence condition, will be freely transferable at the end of the final award date;
- the shares of performance plans will be definitively awarded after the vesting period pending the effective presence of the beneficiary; the final number of shares granted will depend on the attainment of performance criteria in line with the following formula:

Number of shares definitively awarded = Number of shares initially awarded x (CO coef + OMA coef + FC coef + QCSR coef)/4. With:

cCO	cOMA	cFC	cQCSR
Based on the weighted annual organic growth rate	Based on the annual weighted rate of activity operating margin	Based on the annual weighted rate Normative free cash flow/ revenue	Based on the annual average of the ALTEN composite CSR index
("CO")	**("OMA")**	**("FC")**	**("mIA")**

6.2.3.5.14 Information on financial liabilities

ALTEN SA and its subsidiary ALTEN CASH MANAGEMENT are responsible for Group financing by holding non-confirmed, short-term lines of credit, renewable annually, and open lines of credit in the amount of €350,000 thousand for a maximum of five years (from 2022). At year-end 2022, this credit line was used for an amount of €60,000 thousand, drawn down by ALTEN CASH MANAGEMENT. The "Club Deal" credit line requires the following ratios to be met for each 6-month and 12-month period while the contract is in force and an advance is outstanding:

- Ratio R – "Consolidated net financial debt/Consolidated operating profit on activity". This ratio should generally be less than 3 and exceptionally less than 3.5.

At 31 December 2022, these ratios were met.

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6.2.3.6 Notes to the income statement

6.2.3.6.1 Revenue by geographical area

(in thousands of euros)	2022	2021
France	586,998	521,865
Export	31,060	20,307
TOTAL	**618,058**	**542,173(1)**

(1) Of which revenue from operations in 2022 (excluding ongoing management income) of €459,028 thousand compared with €420,571 thousand in 2021 and Shared Services revenue in 2022 of €54,390 thousand compared with €51,025 thousand in 2021.

6.2.3.6.2 Transfer of expenses

The balance of the transfer of expenses account was €1,949 thousand. It mainly consists of re-invoicing and the transfer of employee benefits expense.

6.2.3.6.3 Financial income

ITEMS BY NATURE *(in thousands of euros)*	**2022**	**2021**
Dividends of subsidiaries	63,582	77,159
Provisions (net of reversals) on financial assets	(2,610)	2,714[1]
Other	3,393	1,876
TOTAL	**64,365**	**81,749**

(1) Mainly concerns provisions for impairment of investment securities and impairment of a loan to a subsidiary.

6.2.3.6.4 Non-recurring profit

ITEMS BY NATURE *(in thousands of euros)*	**2022**	**2021**
Gains and losses on assets sold	4,804	179[1]
Exceptional provisions (net of reversals)		
Other	1,235	(127)
TOTAL	**6,039**	**52**

(1) In 2022, mainly concerns the disposal of shares in The Positive Thinking Company.

6.2.3.6.5 Corporation tax

6.2.3.6.5.1 Breakdown of tax between current profit and non-recurring profit

		Taxes			
(in thousands of euros)	**Pre-tax earnings**	**Theoretical**	**Loss carry-forwards to allocate**	**Due**	**Net income**
Current profit	70,810	2,354	(1,099)	1,255	79,710
Tax credits				(10,155)	
Non-recurring profit (and profit-sharing)	6,039	181		181	5,857
Tax saving linked to tax consolidation				(2,009)	2,009
Miscellaneous				7	(7)
TOTAL	**76,849**	**2,535**		**(10,721)**	**87,570**

(1) Mainly concerns the research tax credit for €8,633 thousand and the sponsorship tax credit for €1,427 thousand.

6.2.3.6.5.2 Information on deferred or unrealised tax status

BASES BY NATURE *(in thousands of euros)*	**31/12/2022**	**31/12/2021**
Reduction bases of future tax liabilities		
Provisions for retirement benefits	4,221	6,262
Other provisions for risks and expenses	3,142	1,803
Outstanding charges	867	763
Unrealised foreign exchange gains	70	12
Other income taxed in advance		
Tax loss carry-forwards		4,395
Non-deductible financial expenses carry-forwards		
Deductible tax sponsorship carry-forwards		
REDUCTION BASES OF FUTURE TAX LIABILITIES, TOTAL	**8,299**	**13,235**
FUTURE TAX ASSETS, TOTAL	**2,143**	**3,760**(1)
Increase bases of future tax liabilities		
Regulated provisions		
Unrealised foreign exchange losses	42	2
Other expenses deducted in advance		
Return of losses to consolidated subsidiaries	26,060	30,672
INCREASE BASES OF FUTURE TAX LIABILITIES, TOTAL	**26,102**	**30,674**
FUTURE TAX LIABILITIES, TOTAL	**6,741**	**8,714**(1)
DEFERRED NET FISCAL POSITION	**(4,598)**	**(4,954)**(1)

(1) Tax rate used	*25.83%*	*28.41%*
Of which normal corporate tax rate:	*25.00%*	*27.50%*
Social contribution on tax:	*3.30%*	*3.30%*

6.2.3.7 Other information

6.2.3.7.1 Headcount

AVERAGE HEADCOUNT BY CATEGORY	**2022**	**2021**
Managerial staff	5,019	4,855
Non-managerial staff	229	166
TOTAL	**5,248**	**5,021**

6.2.3.7.2 Remuneration of Corporate Officers

As at 31/12/2022 the Board of Directors was composed of nine Directors, including the Founding Chairman. ALTEN SA had a Deputy CEO, who resigned from his position on 31/12/2022 at midnight.

No ALTEN SA Corporate Officer receives remuneration under an employment contract concluded with ALTEN SA.

In accordance with the legislation in force, no advances or credits were granted to the Company executives and Corporate Officers.

The Board of Directors has awarded remuneration of €96 thousand to non-executive Directors for the 2022 financial year. The provision has been recorded in the 2022 financial statements.

6.2.3.7.3 Tax consolidation

ALTEN SA is the head Company of the tax consolidation Group, which includes several subsidiaries.

The amount of tax due in respect of the tax group is €19,240 thousand. The net saving for ALTEN SA amounts to €2,009 thousand.

Excluding the impact of the tax consolidation, ALTEN SA generated tax income of €8,711 thousand.

6.2.3.7.4 Contingent liabilities

None.

6.2.3.7.5 Off-balance sheet commitments

COMMITMENTS BY CATEGORY *(in thousands of euros)*	**Total**	**Executives**	**Related companies**	**Other**
Commitments given				
Endorsements, sureties and guarantees	66,985			66,985
Letters of intent	3,774		3,774	
TOTAL COMMITMENTS GIVEN	**70,759**		**3,774**	**66,985**
Commitments received				
TOTAL COMMITMENTS RECEIVED				
Mutual commitments				
TOTAL MUTUAL COMMITMENTS				

Moreover, the commitments relating to leases amount to €114,977 thousand.

6.2.3.7.6 Treasury shares

Within the framework of the share buyback programme adopted by the Combined General Meetings of 27 June 2008 and 23 June 2009, the Company purchased and sold the following shares under its liquidity contract during the past financial year.

No acquisition of treasury shares to be awarded to employees took place during the 2022 financial year.

Treasury shares are recognised under financial assets in the amount of €8,713 thousands for a total of 460,022 shares purchased.

Treasury shares are not revalued in the annual financial statements. Based on the average from the last 20 days of the trading month, treasury shares are estimated at €55,184 thousand.

	31/12/2022	**31/12/2021**
Unallocated shares		
Shares held at start of year	460,022	460,022
Shares held at closing	460,022	460,022
Liquidity contract		
Shares held at start of year	118	3,943
Shares purchased	180,903	28,717
Shares sold	(172,991)	(32,542)
Shares held at closing	8,030	118
TOTAL	**468,052**	**460,140**

6.2.3.7.7 Table of Subsidiaries and associates

Subsidiaries and associates	Capital	Reserves and retained earnings before allocation of earnings	Share of capital held (%)	Book value of securities held		Loans and advances made by the Company and not yet repaid	Guarantees and bonds given by the Company	Revenue excl. tax for last financial year	Net income (profit or loss for the last financial year)	Dividends received by the Company during the financial year
				Gross	Net					
Subsidiaries more than 50% held *(in thousands of euros)*										
ALTEN SIR	20,003	17,910	100%	26,221	26,221			119,688	5,559	5,000
ALTEN CASH MANAGEMENT	850	6,720	100%	3,623	3,623	267,055			8,012	10,000
ALTEN EUROPE	57,120	283,806	100%	58,072	58,072				116,980	
ALTEN SUD-OUEST	15,061	13,624	100%	15,939	15,939			202,002	18,861	10,000
MI-GSO SAS	10,000	12,917	100%	11,941	11,941			113,436	5,502	3,000
ALTEN AEROSPACE	37	1,924	100%	37	37			18,157	3,923	5,000
ANOTECH ENERGY FRANCE	100	10,188	100%	621	621			34,997	(559)	4,000
AVENIR CONSEIL FORMATION	50	9,348	99.96%	533	533			19,583	1,497	1,000
ATEXIS France	500	(165)	100%	14,215	14,215			29,140	1,469	
HPTI	40	20,696	100%	40	40				472	
PROGRAM PLANNING PROFESSIONALS LTD	2,480	10,871	100%	16,711	16,711			48,771	4,818	1,711
PROGRAM PLANNING PROFESSIONALS INC	3	6,127	100%	29,830	29,830			33,479	1,853	940
AIXIAL DEVELOPMENT SASU	200	169	100%	204	204			3,392	211	
DAVTEN	1		100%	6	5				(4)	
HPA	100	(273)	100%	100	100	11,741			206	
ALTEN LIFE SCIENCES HOLDING	1	6,932	100%	1	1				3,571	
ALTEN TECHNOLOGIES	500	7,032	100%	588	588			77,347	6,178	6,000
HUBSAN	100	2,046	100%	100	100			747	(158)	
LINCOLN SAS	561	4,120	100%	11,989	11,989			41,823	5,243	5,000
AIXIAL	6,102	22,016	87.19%	15,420	15,420			62,726	6,566	8,741
ALTENWARE	1	(1,655)	100%	1,612		66,900			3,471	
EQUITECH	10	(2,521)	100%	10	9				(309)	
ALT08	1	(1)	100%	3	2					
BERTRANDT ALTEN ENGINEERING SOLUTIONS	50	(5)	100%	25	25			28	1	
ALT 10	1	(1)	100%	1	1					
ALT 12	1		100%	1	1				(1)	
ALT 13	1	(1)	100%	1	1					
ALT 14	1	(1)	100%	1	1					
General information on other subsidiaries and equity investments *(in thousands of euros)*										
French subsidiaries										
Foreign subsidiaries										
Interests in French companies										
Interests in foreign companies				36	35					3,189

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6.2.4 STATUTORY AUDITORS' REPORT ON THE SEPARATE FINANCIAL STATEMENTS

For the year ended December 31, 2022

This is a free translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of ALTEN S.A.,

Opinion

In compliance with the engagement entrusted to us by the Annual General Meeting, we have audited the accompanying financial statements of ALTEN S.A. for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

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 Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2022, to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Justification of Assessments – Key Audit Matters

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 key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

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

Measurement of investment securities

- ***Key Audit Matter***

As at December 31, 2022, investment securities were recorded in the balance sheet at a net value of €207.9 million out of total assets of €907.2 million. The gross value of investment securities is recorded on the balance sheet at acquisition cost.

As disclosed in Note 3.4.4 to the financial statements, an impairment loss is recognized when the value in use of investment securities falls below their net book value.

Value in use is determined either using the ownership interest of revalued net equity for holding companies, or the Discounted Cash Flow method adjusted for net debt for operating companies.

We considered the measurement of investment securities as a key audit matter presenting a risk of material misstatement, given the significant amount of investment securities in the balance sheet as well as uncertainties inherent to certain items, including the realization of forecasts used in the value-in-use estimate.

- ***Our audit approach***

As part of our audit, we examined the impairment testing process implemented by ALTEN's Management to estimate the value in use of investment securities.

Our audit work mainly consisted in verifying, for each investment security and on the basis of information communicated to us, that the estimation of value in use by Management is based on the appropriate valuation model and data, according to the investment securities concerned:

- When value in use is measured based on the ownership interest of net equity, our work entailed verifying the consistency of the ownership interest of net equity used by Management with the companies' financial statements;
- When value in use is assessed using the discounted cash flow method; our work entailed:
  - Analysing the consistency and reasonableness of assumptions of sales and margin forecasts, in comparison with past performance and considering the economic and financial environment in which the Company operates;
  - Assessing the discount and perpetual growth rates applied to estimated future cash flows, with the support of our valuation specialists, by comparing the parameters used with external references.
  - Verifiying the calculation of value in use, taking into account net debt.

In addition to our audit procedures on the value in use of investment securities, we verified that the notes to the financial statements provided appropriate information.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 441-6 of the French Commercial Code (*Code de commerce*).

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code (*Code de commerce*) relating to remuneration and benefits received or allocated by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlled by it that are included in the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Alten S.A. by your Annual General Meetings held on June 18, 2015 for KPMG Audit IS and June 25, 2003 for Grant Thornton.

As at December 31, 2022, KPMG Audit IS was in its 8th year of total uninterrupted engagement, and Grant Thornton was in its 20th year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the 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 taken on the basis of these 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 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 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 financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics *(Code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors

French original signed by

Paris la Défense, on April 27th 2023

KPMG Audit IS

Jean-Marc Discours
Partner

Xavier Niffle
Partner

Neuilly-Sur-Seine, on April 27th 2023

Grant Thornton
French Member of Grant Thornton International

Jean-François Baloteaud
Partner