2022
Consolidated financial statements

This is a translation into English of the universal registration document of the Company issued in French and it is available on the website of the Issuer.

6. FINANCIAL STATEMENTS

6.1. Consolidated financial statements

6.1.1. 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 Atos S.E.,

Opinion

In compliance with the engagement entrusted to us by the annual general meetings, we have audited the accompanying consolidated financial statements of Atos S.E. ("Atos", the "Company" or the "Group") for the year ended December 31, 2022.

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

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 requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors for the period from January 1, 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) N° 537/2014.

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, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revenue recognition on long term fixed-price contracts *Note 3 "Revenue, trade receivables, contract assets and contract costs", note 5 "Other operating income and expenses (Other items)", note 12 "Provisions" to consolidated financial statements*	
Key Audit Matter	**Our audit approach**
Regarding fixed-price contracts performed over the course of several years, particularly related to consulting and system integration activities, revenues are recognized, in accordance with IFRS 15 'Revenue from contracts with customers' based on the transfer of the control of the service provided. For multi-element service contracts, which may be a combination of different services, revenue is recognized separately for each performance obligation when the control is transferred to the customer. Revenue recognized depends on fair value of the performance obligation and its allocated transaction price. Total contract costs and expected remaining costs are subject to regular monitoring and estimate to determine the stage of completion and the margin to be recognized. If these estimates indicate that the contract will be unprofitable, the entire estimated loss for the remainder of the contract is recorded immediately through a provision for onerous contracts. We consider revenue recognition on long-term contracts and the associated costs as a key audit matter as identification of performance obligations and related allocations of the transaction price requires judgment from management. When revenue is recognized on the basis of costs incurred, the completion degree relies on operational assumptions and estimates which impact the Group consolidated revenue and operating margin.	We have updated our understanding of the internal control environment relating to the monitoring of contracts , costs estimates and margin, in particular controls relating to the costs incurred on contract and those relating to the costs to complete. For a number of contracts that were selected based upon quantitative and qualitative criteria (notably, contracts that experienced technical difficulties or low profitability), we performed the following procedures: - For new contracts, ▪ When contracts included multiple elements, we corroborated the analysis and accounting treatment retained (allocation of the transaction price to the different performance obligations identified, and definition of recognition conditions of the revenue recognized for each performance obligation) with contractual terms and our understanding of the services provided ; ▪ We corroborated initial budget margin to the financial data within the signed contract and the associated costs estimation. - For contracts in progress, we performed the following procedures on the completion degree when revenue is recognized over time on the basis of costs incurred: ▪ we reconciled the financial data (revenue, billing and work-in-progress) included in the work progress spreadsheet that is updated monthly by the financial controller to the accounting records; ▪ we corroborated the amount of costs incurred, notably hours per project with the data from the timesheet application system; ▪ we analyzed standard hourly rates' calculation methodology; ▪ we performed interviews with financial controllers and / or operational managers to assess the estimated costs yet to be incurred and the percentage of completion on the contract, which is the basis on which revenue and margin is recognized, we have furthermore analyzed the

	appropriateness of these estimates by comparing the forecasted data with the actual performance of the contract; ▪ we analyzed assumptions used by management to determine the loss recognized for onerous contracts and confirmed these assumptions with historical performance on the contract and the the performance to be achieved and the corresponding estimates made.

Goodwill and other fixed assets valuation including the assets classified as held for sale. *Note 1.1 "Contemplated and completed disposal", Note 5 "Other operating income and expense", Note 8 "Goodwill and fixed assets", Note 9 "Leases" to consolidated financial statements*	
Key Audit Matter	**Our audit approach**
As of December 31, 2022, the net carrying value of fixed assets amounts to €7,530 million, namely 46% of the total assets. The fixed assets comprise goodwill (€5,305 million), intangibles assets (€919 million), tangible assets (€414 million), as well as right-of-use assets (€892 million). The net carrying value of goodwill and other fixed assets classified as held for sale amounts to €543 million. Goodwill and other fixed assets are tested for impairment when there is any indication that they may be impaired. This test is performed at least annually for goodwill. With regards to the contemplated separation of the Group and the ongoing disposals of activities: - The Group deemed that at December 31, 2022 SpinCo (Evidian) did not meet the IFRS 5 criteria to be classified as held for sale and discontinued operations; - The Group determined that the Unified Communications & Collaboration disposal and the sale of its Italian operations (Atos Italia S.p.a) met the held for sale classification criteria at the end of December 2022 considering the advanced negotiations with their respective buyers. The assets and liabilities related to these disposal groups are classified as held for sale and measured at fair value less costs to sell ; The cash-generating units (CGUs) correspond to the Regional Business Unit (RBU) in which the Atos Group operates. The annual impairment test is based on the fair value less costs to sell of each CGU, determined	As part of our audit, we examined the process implemented by the Group regarding the performance of impairment tests. We assessed whether the methodology used by management complies with the accounting standards, including the CGU definition, the net assets allocation and the models used to determine the recoverable amounts. We performed the following procedures, on the impairment tests for each CGUs: - we assessed the appropriateness of the assumptions and the methodology used by the Group with the assistance of external advisors in the multicriteria approach to determine the fair value less cost to sell; - we reconciled the cash-flow projections with the revised mid-term plan of the Group ; - we analyzed the overall consistency of assumptions used (including the estimation of the perpetual growth rate), especially through interviews with the management and future growth prospects; - we assessed, with the support of our valuation specialists, the appropriateness of the valuation models including the discount rates used in relation with market benchmarks. For the Unified Communications & Collaboration group and the Italian operations (Atos Italia S.p.a), we assessed the appropriateness of the assumptions used by management to determine their fair value less costs to sell on the basis of the advanced negotiations related to these ongoing disposals. .

on the basis of a multicriteria approach, including Discounted Cash Flows (DCF) and trading multiples. The recoverable values are determined based on particularly sensitive forward-looking assumptions and other estimates. We considered the valuation of goodwill and other fixed assets as a key audit matter, given the weight of these assets in the consolidated statement of financial position, 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 recoverable value to these assumptions.	We verified the arithmetical accuracy of the valuations used by the Group. We performed our own sensitivity calculations and compare them to the analysis performed by management. We verified the information disclosed in the notes to the consolidated financial statements, including assumptions used and the sensitivity analysis is appropriate.

Litigations

Note 16 "Litigations" to consolidated financial statements

Key Audit Matter	Our audit approach
The Group is engaged in legal proceedings for a litigation mainly concerning intellectual property rights against TriZetto Group and Cognizant Technology Solutions (Cognizant/TriZetto) in the United States of America, the status of which as at December 31, 2022 is described in note 16 to the consolidated financial statements. On October 27, 2020, a jury in the United States District Court for the Southern District of New York found Syntel, which is now a subsidiary of Atos, liable for trade secrets misappropriation and copyright infringement and specified approximately $855 million in damages, due to Cognizant and its subsidiary TriZetto. On April 20, 2021, the United States District Court for the Southern District of New York granted in part the post-trial motion filed by Syntel. The Court reduced the jury's $855 million damages award to $570 million and denied Cognizant and TriZetto's request for an additional $ 75 million in pre-judgment interest. The Court also found that the jury' $570 million punitive damages award was excessive and should be reduced to $285 million. On May 26, 2021, Syntel appealed the portion of the jury's verdict affirmed by the Court. The oral argument in the Court of Appeals took place on September 19, 2022. The appeal process typically takes 18 months or more. We considered this matter to be a key audit issue because of the uncertainty of the	In order to obtain a sufficient understanding of the existing litigations and claims and the related judgements, we interviewed management and analysed the procedures implemented by the Group to identify disputes. With regard to the Cognizant/TriZetto litigation, we : - conducted interviews with Group management to assess the current status of the ongoing litigation; - consulted available procedural elements and other relevant information concerning the litigation and the likelihood and possible impact of the risk; - performed a critical review of the estimates and positions taken by management; - assessed whether the latest developments have been taken into account. We also assessed whether the disclosures in note 16 to the consolidated financial statements are appropriate.

outcome of the proceedings, the high degree of estimation and judgement used by management, and the potential materiality to consolidated net income and equity if these estimates were to change.	

Valuation of defined benefits plans

Note 11 "Pension plans of other long-term benefits" to the consolidated financial statements

Key Audit Matter	Our audit approach
Certain employees and former employees of the Group benefit from defined benefit pension plans, some of which (notably in the United Kingdom, Germany, the United States and Switzerland) can be prepaid through plan assets (pension funds or insurance companies). The net obligations recognized in the Group balance sheet in respect of pension plans amount to € 579 million at December 31, 2022. The Group amends on a regular basis, by collective agreement or options to beneficiaries, the lump sum payments or annuities rights of certain plans. The main amendments performed in 2022 and their related impacts are disclosed in note 11 to the consolidated financial statements. We have considered the valuation of defined benefit pension plans as a key audit matter, based on: - the technical expertise required to assess inflation, discount, and longevity assumptions underlying the valuation of the plans, and the impacts that could result from a change in those assumptions on the recognized obligations; - the estimates related to beneficiaries' behaviors made by management to assess the impact of certain plan amendments, which could lead to significant impacts in operating margin, in case of variances with actual behaviors observed.	We reviewed the pension plans valuation process, and the methodology used by the Group to set up the underlying actuarial assumptions. With the support of our actuarial experts: - we assessed the actuarial assumptions used, in particular the consistency between the financial (inflation and discount rates) and demographic (mortality table) assumptions, in comparison with market indices and benchmarks, and; - for the plans we considered as the most significant, we reviewed the independent actuaries reports. We also reconciled the fair-value of plan assets with their market value (listed shares, bonds, swaps) or other external reports (real estate, unlisted shares, investments in infrastructure projects). We also verified that the recorded amendments of rights reflected the agreements signed with the beneficiaries of the plans. For amendments implying estimates on the beneficiaries' behaviors, we corroborated those estimates with the ones observed on similar plan amendments. Then, we verified that the information disclosed on the note 11 to the consolidated financial statements, in particular the description and changes on plans, the actuarial assumptions, and the sensitivity analysis disclosed, was appropriate.

Deferred tax assets recognition on tax loss carryforward

Note 7 "Income tax" to the consolidated financial statements

Key Audit Matter	Our audit approach
Deferred tax assets are recognized on tax loss carry-forwards when it is probable that taxable profit will be available against which the tax loss carry-forwards can be utilized. Estimates of taxable profits and utilizations of tax loss carry-forwards were prepared on the basis of profit and loss forecasts as prepared by Management.	Our audit approach consisted in assessing, with the assistance of our tax experts, the probability of the Group making future use of the tax loss carryforward generated to date, particularly in regard to: - deferred tax liabilities in the same tax jurisdiction, that could be offset against

Duration of forecasts depends on local specificities. Deferred assets on tax losses carryforward amount to € 216 million as of December 31, 2022. The deferred tax assets on tax losses carryforward amount to € 6,492 million in basis, as of December 31, 2022, of which only a part is recognized with respect to estimated use. Unrecognized deferred assets on tax losses carryforward amounts to € 1 106 million as of December 31, 2022. We identified this issue as a key audit matter due to the particularly high level of tax loss carryforward that can be recognized, and the importance of Management judgment in taxable profits estimated and in tax loss carryforward use.	deferred tax assets with the same maturity; and - the Group's ability to generate future taxable profits in the relevant tax jurisdiction in order to use prior-year tax losses recognized as deferred tax assets. We reviewed the appropriateness of main data and assumptions on which relies tax forecasts underlying the recognition and recoverability of deferred tax assets on tax loss carryforward. We also assessed the appropriateness of information disclosed relating to deferred tax assets in respect of tax losses carried forward in the note 7 to 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 information pertaining to the Group presented in the management report, being specified that, in accordance with the provisions of Article L.823-10 of the code, we have not verified the fair presentation and the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of the presentation of the consolidated 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 17 December 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 the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to technical limitations involved in the microdata tags of the consolidated financial statements in accordance with the European Single Electronic Format for reporting, the content of certain tags in the notes to the consolidated financial statements may not be displayed identically to the consolidated financial statements attached to this report.

Furthermore, we have no responsibility to verify that the consolidated 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 have been appointed as statutory auditors of the Company by your General Shareholders' meetings held on December 16, 1993 for Deloitte & Associés, and on October 31, 1990 for Grant Thornton.

As at December 31, 2022, Deloitte & Associés was in its 29th year mandate, of total uninterrupted engagement, and for Grant Thornton in its 32st year mandate, total uninterrupted engagement, and for both statutory auditors, on 27 years of exercise of mandate since the Company securities were admitted to trading on a regulated market.

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.

Paris-La Défense and Neuilly-sur-Seine, March 20, 2023

The Statutory Auditors

French original signed by

Deloitte & Associés	Grant Thornton
Jean-François Viat	*Virginie Palethorpe*

6.1.2. Consolidated income statement

(in € million)	Notes	12 months ended December 31, 2022	12 months ended December 31, 2021
Revenue	**Note 2**	**11 341**	**10 839**
Personnel expense	Note 4.1	-5 692	-5 269
Operating expense	Note 4.2	-5 293	-5 187
Operating margin		**356**	**383**
% of revenue		**3,1%**	**3,5%**
Other operating income and expense	Note 5	-1 151	-3 151
Operating income (loss)		**-795**	**-2 768**
% of revenue		**-7,0%**	**-25,5%**
Net cost of financial debt	Note 6.1	-29	-25
Other financial expense	Note 6.1	-289	-290
Other financial income	Note 6.1	143	164
Net financial income (expense)	**Note 6.1**	**-175**	**-151**
Net income (loss) before tax		**-970**	**-2 919**
Tax charge	Note 7	-46	-39
Share of net profit (loss) of equity-accounted investments	Note 10	4	0
Net income (loss)		**-1 012**	**-2 959**
Of which:			
▪ attributable to owners of the parent		-1 012	-2 962
▪ non-controlling interests	Note 14.3	0	3

(in €million and shares)	Notes	12 months ended December 31, 2022	12 months ended December 31, 2021
Net income (loss) - Attributable to owners of the parent		**-1,012**	**-2,962**
Weighted average number of shares		110,641,457	109,581,755
Basic earnings per share	Note 14.1	**-9.14**	**-27.03**
Diluted weighted average number of shares		110,641,457	109,581,755
Diluted earnings per share	Note 14.1	**-9.14**	**-27.03**

6.1.3. Consolidated statement of comprehensive income

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Net income (loss)	**-1 012**	**-2 959**
Other comprehensive income		
To be reclassified subsequently to profit or loss (recyclable)	**234**	**393**
Change in fair value of cash flow hedge instruments	-3	8
Exchange differences on translation of foreign operations	236	389
Deferred tax on items to be reclassified to profit or loss	1	-4
Not reclassified to profit or loss (non recyclable)	**111**	**243**
Actuarial gains and losses on defined benefit plans	149	349
Deferred tax on items not reclassified to profit or loss	-38	-106
Total other comprehensive income (loss)	**345**	**636**
Total comprehensive income (loss) for the period	**-668**	**-2 323**
Of which:		
▪ attributable to owners of the parent	-668	-2 326
▪ non-controlling interests	0	3

6.1.4. Consolidated statement of financial position

(in € million)	Notes	December 31, 2022	December 31, 2021
ASSETS			
Goodwill	Note 8.1	5 305	5 105
Intangible assets	Note 8.2	919	1 089
Tangible assets	Note 8.3	414	421
Right-of-use assets	Note 9	892	1 072
Equity-accounted investments	Note 10	8	4
Non-current financial assets	Note 6.3	171	840
Non-current financial instruments	Note 6.6	13	0
Deferred tax assets	Note 7.4	294	189
Total non-current assets		**8 017**	**8 720**
Trade accounts and notes receivable	Note 3.2	2 603	2 583
Current taxes		64	76
Other current assets	Note 4.4	1 485	1 430
Current financial instruments	Note 6.6	18	14
Cash and cash equivalents	Note 6.2	3 331	3 372
Total current assets		**7 501**	**7 476**
Assets held for sale	Note 1	876	623
TOTAL ASSETS		**16 394**	**16 819**

(in € million)	Notes	December 31, 2022	December 31, 2021
LIABILITIES AND SHAREHOLDERS' EQUITY			
Common stock	Note 14.2	111	111
Additional paid-in capital		1 499	1 498
Consolidated retained earnings		3 195	5 790
Net income (loss) attributable to the owners of the parent	Note 14.1	-1 012	-2 962
Equity attributable to the owners of the parent	Note 14.2	**3 793**	**4 437**
Non-controlling interests	Note 14.3	7	6
Total shareholders' equity		**3 799**	**4 444**
Provisions for pensions and similar benefits	Note 11	639	944
Non-current provisions	Note 12	496	657
Borrowings	Note 6.4	2 450	2 750
Derivative liabilities	Note 6.6	13	40
Deferred tax liabilities	Note 7.4	148	67
Non-current lease liabilities	Note 9	704	894
Other non-current liabilities		1	1
Total non-current liabilities		**4 451**	**5 352**
Trade accounts and notes payable	Note 4.3	2 187	2 003
Current taxes		63	61
Current provisions	Note 12	245	137
Current financial instruments	Note 6.6	11	4
Current portion of borrowings	Note 6.4	2 412	1 849
Current lease liabilities	Note 9	309	360
Other current liabilities	Note 4.5	2 260	2 131
Total current liabilities		**7 487**	**6 546**
Liabilities related to assets held for sale	Note 1	656	477
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**16 394**	**16 819**

6.1.5. Consolidated cash flow statement

(in € million)	Notes	12 months ended December 31, 2022	12 months ended December 31, 2021
Net income (loss) before tax		**-970**	**-2,919**
Depreciation of assets	Note 4.2	275	325
Depreciation of right-of-use	Note 4.2	372	376
Net addition (release) to operating provisions		7	1
Net addition (release) to financial provisions		23	7
Net addition (release) to other operating provisions		-182	999
Amortization of intangible assets (PPA from acquisitions)	Note 5	140	151
Impairment of goodwill and other non current assets	Note 5	177	1,490
Losses (gains) on disposals of non current assets		160	32
Net charge for equity-based compensation		19	32
Unrealized losses (gains) on changes in fair value and other		-27	80
Net cost of financial debt	Note 6.1	29	25
Interest on lease liability	Note 6.1	22	15
Net cash from (used in) operating activities before change in working capital requirement and taxes		**46**	**613**
Tax paid		-59	-81
Change in working capital requirement		440	-153
Net cash from (used in) operating activities		**427**	**379**
Payment for tangible and intangible assets		-251	-272
Proceeds from disposals of tangible and intangible assets		6	9
Net operating investments		**-245**	**-263**
Amounts paid for acquisitions and long-term investments		-279	-297
Cash and cash equivalents of companies purchased during the period		11	35
Net proceeds from disposals of financial investments		226	-
Cash and cash equivalents of companies sold during the period		-24	-2
Dividend received from entities consolidated by equity method		0	2
Increase (decrease) in other non-current financial assets*		60	-131
Net long-term financial investments		**-6**	**-393**
Net cash from (used in) investing activities		**-251**	**-656**
Common stock issued		1	23
Capital increase subscribed by non-controlling interests		6	-
Purchase and sale of treasury stock		-2	-58
Dividends paid		-9	-98
Dividends paid to non-controlling interests		-2	-3
Lease payments	Note 6.5	-405	-391
New borrowings	Note 6.5	1,850	1,710
Repayment of current and non-current borrowings	Note 6.5	-1,632	-856
Net cost of financial debt paid	Note 6.5	-29	-25
Other flows related to financing activities	Note 6.5	-81	-1
Net cash from (used in) financing activities		**-304**	**300**
Increase (decrease) in net cash and cash equivalents		**-127**	**24**
Opening net cash and cash equivalents		**3,239**	**3,142**
Increase (decrease) in net cash and cash equivalents	Note 6.5	-127	24
Impact of exchange rate fluctuations on cash and cash equivalents	Note 6.5	78	73
Closing net cash and cash equivalents	Note 6.5	**3,190**	**3,239**

** €60 million corresponded to the reimbursement of the excess funding of the German restructuring plan launched in 2021 and closed before completion at the end of 2022.*

6.1.6. Consolidated statement of changes in shareholders' equity

(in € million)	Number of shares at period end (thousands)	Common Stock	Additional paid-in capital	Consolidated retained earnings	Net income (loss)	Total	Non controlling interests	Total shareholders' equity
At December 31, 2020	**109 993**	**110**	**1 476**	**4 724**	**550**	**6 861**	**10**	**6 871**
▪ Common stock issued	737	1	22	-		23		23
▪ Appropriation of prior period net income (loss)				550	-550	-		-
▪ Dividends paid				-98		-98	-3	-101
▪ Equity-based compensation				32		32		32
▪ Changes in treasury stock				-58		-58		-58
▪ Other				4		4	-4	-1
Transactions with owners	**737**	**1**	**22**	**429**	**-550**	**-98**	**-7**	**-105**
▪ Net income (loss)				-	-2 962	-2 962	3	-2 959
▪ Other comprehensive income (loss)				636		636	0	636
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**636**	**-2 962**	**-2 326**	**3**	**-2 323**
At December 31, 2021	**110 730**	**111**	**1 498**	**5 790**	**-2 962**	**4 437**	**6**	**4 444**
▪ Common stock issued	221		1			1		1
▪ Appropriation of prior period net income (loss)				-2 962	2 962	-		-
▪ Dividends paid				-0		-0	-2	-3
▪ Equity-based compensation				23		23		23
▪ Changes in treasury stock				-2		-2		-2
▪ Other				1		1	3	4
Transactions with owners	**221**	**-**	**1**	**-2 940**	**2 962**	**23**	**1**	**23**
▪ Net income (loss)				-	-1 012	-1 012	0	-1 012
▪ Other comprehensive income (loss)				345		345	-0	344
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**345**	**-1 012**	**-668**	**0**	**-668**
At December 31, 2022	**110 951**	**111**	**1 499**	**3 195**	**-1 012**	**3 793**	**7**	**3 799**

6.1.7. Notes to the consolidated financial statements

6.1.7.1. General information

Atos SE, the Group parent company, is a société européenne (public limited company) incorporated under French law, whose registered office is located at 80, Quai Voltaire, 95870 Bezons, France. It is registered with the Registry of Commerce and Companies of Pontoise under the reference 323,623,603. Atos SE shares are traded on the NYSE Euronext Paris market under ISIN code FR0000051732. The shares are not listed on any other stock exchange. The Company is administrated by a Board of Directors.

Atos is a global leader in digital transformation and is the European number one in cloud, cybersecurity and high-performance computing. Atos provides end-to-end vertical solutions, smart data platforms and infrastructure solutions, working closely with global technology partners and leveraging innovations in business platforms, customer experience and digital workplace, artificial intelligence and hybrid cloud.

The consolidated financial statements of the Group comprise the Group parent company, its subsidiaries and the Group interests in associates and jointly controlled entities (together referred to as the "Group").

The Atos Group did not change its corporate name compared to the previous period.

These consolidated financial statements were approved by the Board of Directors on February 28, 2023. The consolidated financial statements will be submitted to the approval of the next Annual General Meeting.

6.1.7.2. Basis of preparation

All amounts are presented in millions of euros unless otherwise indicated. Certain totals may have rounding differences.

Accounting framework

The consolidated financial statements of the Group for the twelve months ended December 31, 2022 have been prepared in accordance with the international accounting standards endorsed by the European Union and whose application was mandatory as at December 31, 2022.

The international accounting standards comprise the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Accounting Standards (IAS), the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

Accounting policies applied by the Group comply with those standards and interpretations.

At December 31, 2022, the Group applied the same accounting policies and measurement methods as were applied in its consolidated financial statements for the year ended December 31, 2021, with the exception of changes required by the enforcement of new standards and interpretations presented hereafter.

New standards and interpretations applicable from January 1, 2022

The new standards, interpretations or amendments whose application was mandatory for the Group effective for the fiscal year beginning January 1, 2022 had no material impact on the consolidated financial statements:

- Amendment to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use;
- Amendment to IAS 37 – Onerous contracts – Cost of fulfilling a contract;
- Amendments to IFRS 3 – Reference to the Conceptual Framework;
- Annual improvements to IFRS Standards 2018-2020.
- IFRIC decision – principal versus Agent: Software reseller (IFRS 15 Revenue from contracts with customers);
- IFRIC decision – Demand Deposits with restrictions on use arising from a contract with a third party (IAS 7 Statement of cash flows)
- IFRIC decision – Lessor forgiveness of lease payments (IFRS 9 Financial instruments and IFRS 16 Leases).

Other standards

The Group does not apply IFRS standards and interpretations that have not yet been approved by the European Union at the closing date. In addition, none of the new standards effective for annual periods beginning after January 1, 2022 and for which an earlier application is permitted have been applied by the Group.

The potential impacts of these new pronouncements are currently being analyzed.

The IFRS IC decision issued in April 2021 regarding "Configuration or customization costs in a Cloud Computing Arrangement" had no material impact on the consolidated financial statements of the Group.

Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expense in the financial statements and disclosures of contingent assets and liabilities at the closing date. As a function of changes in these assumptions or in circumstances that may arise, the amounts appearing in the future financial statements of the Group may differ from current estimates, particularly in the following areas:

- Revenue recognition: estimates of percentage of completion, cost to complete and potential loss at completion (Note 3 – Revenue, trade receivables, contract assets, contract liabilities and contract costs, and Note 12 – Provisions);
- Business combinations: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed (Note 1 – Changes in the scope of consolidation);
- Impairment test of goodwill and other fixed assets: key assumptions underlying recoverable amounts (Note 8 – Goodwill and fixed assets);
- Recognition and measurement of deferred tax assets: availability of future taxable profits against which deductible temporary differences and tax losses carried forward can be utilized (Note 7 – Income tax);
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of outflow of resources with no counterpart, estimates and judgments regarding the outcome of disputes in progress and, more generally, estimates regarding all provisions and contingent liabilities (Note 12 - Provisions and Note 16 - Litigations);
- Measurement of defined benefit obligations: key actuarial assumptions (Note 11 - Pension plans and other long-term benefits);
- Lease liabilities and right-of-use assets: assessment of the lease term and incremental borrowing rates used (Note 9 – Leases);
- Financial assets: estimate and judgment relating to the recoverability of accounts receivable (Note 3 – Revenue, trade receivables, contract assets, contract liabilities and contract costs) and other financial assets.

Estimates on long-term contracts have been reviewed taking into consideration potential loss-making situations or risks of recoverability on contract assets and contract costs. The expected credit loss valuation has also been reviewed to consider potential increased bankruptcy risk of customers.

Effects of climate-related matters on financial statements

In preparing the consolidated financial statements, the impact of climate change has been considered by Atos, particularly in the context of the disclosures required in the Corporate Social Responsibility section of the Universal Registration Document. There has not been any material impact on judgments and estimates arising from those considerations, consistent with the assessment made by Atos that climate change is not expected to have a meaningful impact on the viability of the Group in the medium term.

In addition, in November 2021, the Group issued a sustainability-linked bond (refer to Note 6). The coupon of the last three years will be unchanged if Atos achieves the following Sustainability Performance Target ("SPT"): reduction in 2025 of Atos annual GreenHouse Gas CO2 emissions (Scopes 1, 2 and 3) by 50% compared to 2019. In case the SPT is not met, the last three coupons shall be increased by 0.175%.

Finally, starting with the 2020 performance share plan, an objective of carbon dioxide reduction is included in the performance criteria (see Note 5). This indicator measures the percentage of CO2 emission variation per € million of revenue (tCO2/€ million) over a 3-year period.

Significant accounting policies

Financial assets classification and business model

IFRS 9 defines three approaches to classify and measure financial assets based on their initial recognition:

- Amortized cost;
- Fair value through other components of comprehensive income;
- Fair value through income statement.

Financial assets are classified according to these three categories by reference to the business model the Group uses to manage them, and the contractual cash flows they generate.

Loans, receivables and other debt instruments considered "basic lending arrangements" as defined by IFRS 9 (contractual cash flows that are solely payments of principal and interest) are carried at amortized cost when they are managed with the purpose of collecting contractual cash flows, or at fair value through other components of comprehensive income when they are managed with the purpose of collecting contractual cash flows and selling the asset, while debt instruments that are not "basic lending arrangements" or do not correspond to these business models are carried at fair value through income statement. Equity instruments are carried at fair value through income statement or, under an irrevocable option, at fair value through other comprehensive income.

The business model of the Group is to collect its contractual cash flows for its trade receivables.

Trade receivables can be transferred to third parties (banks) with conditions of the transfers meeting IFRS 9 requirements, meaning transfer of contractual cash flows and transfer of substantially all risks and rewards are achieved. Those trade receivables are in that case derecognized, further to the analysis of the actual transfer of risks, the non-materiality of any dilution risk based on experience, and the absence of continuing involvement.

Current and non-current assets and liabilities

Assets and liabilities classified as current are expected to be realized, used or settled during the normal cycle of operations. All other assets and liabilities are classified as non-current. Current assets and liabilities, excluding the current portion of borrowings, lease liabilities and provisions, and current financial instruments represent the Group working capital requirement.

Foreign currency translation

The presentation currency is the euro, which is the Group functional currency.

Financial statements denominated in foreign currencies

The financial statements of consolidated companies are prepared in their functional currency, corresponding to the currency of the primary economic environment in which they operate. The financial statements of foreign operations whose functional currency is not the euro are translated into euros as follows:

- assets and liabilities are translated at the closing exchange rate;
- income and expense are translated at the average exchange rate for the period;
- the resulting translation gains and losses are recognized in other comprehensive income on the line "Exchange differences on translation of foreign operations". When all or part of the investment in the foreign operation is derecognized (i.e., when the Group no longer exercises control, joint control or significant influence over the company) the share of accumulated foreign currency translation adjustments is recycled to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of that foreign entity and translated into euros at the closing date.

The Group does not have any entity operating in a hyperinflationary economy except Argentina and Turkey. Argentina is a hyperinflationary economy since July 1, 2018 and Turkey since April 1, 2022. As such, all income statement items from Argentinian and Turkish entities have been restated from inflation in accordance with IAS 29.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. At closing date, the corresponding receivables and payables are translated using the closing exchange rate.

The resulting foreign exchange gains and losses are recognized in financial income and expense under the heading "Other financial income and expense", except where hedge accounting is applied as explained in Note 13 – Fair value and characteristics of financial instruments.

6.1.7.3. Financial risk management

The Group activities are exposed to a variety of financial risks including liquidity risk, interest rate risk, credit risk and currency risk. Financial risk is managed by the Group Treasury department and involves minimizing potential adverse effects on the Group financial performance.

Liquidity risk

Liquidity risk management involves maintaining sufficient cash and marketable securities and ensuring the availability of funding through an adequate amount of committed credit facilities.

Atos policy is to cover in full its expected liquidity requirements by long-term committed loans or other appropriate long-term financial instruments. Terms and conditions of these loans include maturity and covenants leaving sufficient flexibility for the Group to finance its operations and expected developments.

Credit facilities are subject to financial covenants that are carefully followed by the Group Treasury department.

An analysis of the maturity of financial liabilities is disclosed in Note 6.4 – Financial liabilities.

The continuity of operations relies in particular on the liquidity of the Group, which is secured by the financing structure currently in place. The contemplated spin-off project remains conditional upon the implementation of a new financing for both SpinCo and TFCo.

Interest rate risk

Interest rate risk arises mainly on borrowings. The management of exposure to interest rate risk encompasses two types of risks:

- a price risk on fixed-rate financial assets and liabilities. For example, by contracting a fixed-rate liability, the Group is exposed to potential opportunity losses should interest rates fall. A change in interest rates would impact the market value of fixed-rate financial assets and liabilities. However, this loss of opportunity would not impact financial income and expense as reported in the consolidated income statement and, as such, future net income of the Group up to maturity of these assets and liabilities;
- a risk on floating-rate financial assets and liabilities should interest rates increase.

The main objective of managing overall interest rate risk on the Group debt is to minimize the cost of debt and to protect the Group against fluctuations in interest rates by swapping to fixed rate a portion of the floating-rate financial debt. Derivative instruments used to hedge the debt are swap contracts entered with leading financial institutions.

Credit risk

The Group has no significant concentrations of credit risk. The client selection process and related credit risk analysis is fully integrated within the global risk assessment conducted throughout the life cycle of a project.

Derivative counterparts and cash transactions are limited to high-credit quality financial institutions.

Currency risk

Atos Group policy promotes natural hedge positions in which costs and revenues are denominated in the same currency.

Nevertheless, the Group financial performance can be influenced by fluctuations in exchange rates considering the growing portion of the external business involving offshore cost centers based mostly in India and Central Europe.

The Group has established a policy for managing foreign exchange positions resulting from commercial and financial transactions denominated in currencies different from the local currency of the relevant entity. According to this policy, any material exposure must be hedged as soon as it is known. In order to hedge its foreign exchange rate exposure, the Group uses a variety of financial instruments, mainly forward contracts and foreign currency swaps.

Price risk

The Group is not exposed to commodity price risks.

The convertible bond issued in November 2019 contains an optional component indexed on Worldline share price. The redemption and/or exchange price of these bonds is linked to the evolution of Worldline share price. The reference exchange price was 71.55 € at issuance date.

Subsequent to the disposal in June 2022 of its entire stake in Worldline, Atos entered into a derivative transaction to hedge this exposure to the fluctuations of Worldline share price (see Note 6.3).

6.1.7.4. Alternative Performance Measures

Operating margin

Operating margin is equal to revenue less personnel and operating expense. It is calculated before Other Operating Income and Expense as defined below.

Other Operating Income and Expense

Other operating income and expense include:

- The amortization and impairment of intangible assets recognized as part of business combinations such as customer relationships, technologies and goodwill;
- When accounting for business combinations, the Group may record provisions in the opening statement of financial position for a period of 12 months beyond the business combination date. After the 12-month period, unused provisions arising from changes in circumstances are released through the income statement under "Other operating income and expense";
- The cost of acquiring and integrating newly controlled entities, including earn out with or without presence conditions;
- The net gain or losses on disposals of consolidated companies or businesses;
- The fair value of shares granted to employees including social contributions;
- The reorganization and rationalization expense relating to business combinations or qualified as unusual, infrequent and abnormal. When a restructuring plan qualifies for Other Operating Income and Expense, the related real estate rationalization & associated costs regarding premises are presented on the same line;
- The curtailment effects on restructuring costs and the effects of plan amendments on defined benefit plans resulting from triggering events that are not under control of Atos management;
- The net gain or loss on disposals of tangible and intangible assets that are not part of Atos core-business such as real estate;
- Other unusual, abnormal and infrequent income or expense such as major disputes or litigation.

Normalized net income (loss)

The normalized net income (loss) attributable to the owners of the parent is the net income (loss) attributable to the owners of the parent before Other Operating Income and Expense and Net gain (loss) on financial instruments related to Worldline shares, net of taxes.

Normalized earnings (loss) per share

The normalized earnings (loss) per share are calculated by dividing the normalized net income (loss) attributable to owners of the parent by the weighted-average number of common shares outstanding during the period, excluding treasury shares.

Net cash (or net debt)

The net cash (or net debt) comprises total borrowings (bonds, short-term and long-term loans, securitization and other borrowings), short-term financial assets and liabilities bearing interest with a maturity of less than 12 months, less cash and cash equivalents. Liabilities associated with lease contracts and derivatives are excluded from the net debt.

Free Cash Flow

Free cash flow represents the change in net cash or net debt, excluding equity changes, share buyback, dividends paid to shareholders and non-controlling interests, net acquisition or disposal of companies or businesses.

6.1.7.5. Main events

New organization and contemplated separation of the Group into two publicly listed companies

On February 10, 2022, Atos announced a change in governance. Starting from the first semester of 2022, the Group was governed around three business lines, replacing the former Industries, and the five Regional Business Units were grouped into four.

The three business lines were defined as follows:

- Tech Foundations, focused on designing, building and managing complex and vital information systems worldwide and positioned on the infrastructure and private cloud market;
- Digital, positioned on the fast-growing market supported by the shift to the cloud and an increasing demand for digital transformation, through a strong partnership with hyperscalers and market leading software vendors;
- Big Data and Security, specialized in secure data intelligence, through two activities: Digital Security and Advanced Computing.

On June 14, 2022, Atos announced that it was studying a separation into two publicly listed companies:

- SpinCo (Evidian) would bring together Atos Digital and Big Data and Security business lines;
- TFCo (Atos) would be composed of Atos Tech Foundations business line.

In the contemplated scenario, Atos shareholders would retain their current shares of Atos and would receive SpinCo shares as in-kind distributions. SpinCo would be listed on the Euronext Paris stock exchange. After completion of the envisaged transaction, it is currently contemplated that Atos shareholders would hold 100% of TFCo and 70% of SpinCo.

The Group further indicated that the objective would be to complete the separation into two entities, involving a prior reorganization of the Group, during the second quarter of 2023, and to complete the listing and distribution of SpinCo shares in the course of the second semester of 2023.

The project remains conditional on general market conditions and would be subject to customary processes, including governance bodies and shareholders' approval, but also to the financing of TFco and SpinCo.

Considering the stage of the project, Atos deemed that at December 31, 2022 SpinCo did not meet the IFRS 5 criteria to be classified as held for sale and discontinued operations.

The contemplated project does not have any consequence on the segment information for the consolidated financial statements at December 31, 2022.

New financing structure

On July 29, 2022, Atos announced a new financing structure to support the envisioned transformation plan as follows:

- a € 1.5 billion term loan ("Term Loan A") with an initial duration of 18 months and two extension periods of 6 months each;
- a € 0.3 billion bridge loan ("Term Loan B") with an initial duration of 12 months and one extension period of 6 months. Its purpose is to pre-finance assets disposals;
- the amount of the existing revolving credit facility (signed in 2018) was reduced from € 2.4 billion to € 0.9 billion.

The leverage ratio applicable to the revolving credit facility has been revised from 2.5 to 3.75. This ratio also applies to Term Loan A and Term Loan B.

Sale of the residual stake in Worldline

On June 14, 2022, Atos completed the sale of its entire stake in Worldline of ca. 7.0 million shares representing ca. 2.5% of Worldline share capital. The sale was carried out by way of an accelerated book building to institutional investors.

Atos has concomitantly entered into a derivative transaction to hedge its residual exposure to Worldline share price related to the outstanding exchangeable bonds due 2024, which were issued in 2019.

As a result of these transactions, Atos raised net proceeds of € 219 million and is no longer a shareholder of Worldline.

Accounting consequences are described in Note 6.

Ongoing disposal of Atos Italia S.p.A.

As part of the divestiture program communicated by the Group, on November 17, 2022, Atos announced that it had entered into exclusive negotiations with Lutech S.p.A., an Italian provider of IT services and solutions for the sale of its Italian operations with a 100% cash consideration. The perimeter of the proposed transaction does not include the EuroHPC business in Italy, nor the Unified Communications & Collaboration Italian operations. The proposed transaction is subject to the consultation of the relevant employee representative bodies and other customary regulatory approvals, and is expected to close during the first half of 2023.

Consequences of Russia invasion of Ukraine

Since the outbreak of the conflict, Atos has evaluated and reduced its operations in Russia in line with international sanctions and confirmed early April 2022 a managed exit out of its Russian-based operations.

Atos used to deliver digital services to its client worldwide base from Russia. Services previously delivered from Russia were moved to other countries, including India and an expanded Turkish SAP Centre of Excellence.

In addition, as early as April, Atos entered into a disposal process of its Russian subsidiary. This disposal was completed in September 2022 (see Note 1). Impacts of Russia invasion of Ukraine on the consolidated financial statements are limited to the accounting consequences of the disposal.

Hyperinflation in Turkey

Since April 1, 2022, Turkey is considered a hyperinflationary economy. The application of IAS 29 provisions did not result in any material impact for Atos at December 31, 2022.

6.1.7.6. Notes to the consolidated financial statements

Note 1 Changes in the scope of consolidation

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled directly or indirectly by the Group. Control by the Group over its subsidiaries is based on its exposure or entitlement to variable income resulting from its investment in those entities, as well as its ability to exercise power over the entity in such a way as to influence the amount of the returns it receives. The existence and effect of potential voting rights that are currently exercisable or convertible, the power to appoint the majority of the members of the governing bodies and the existence of veto rights are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases. In the event of a change in the percentage of the Group interest in a subsidiary without loss of control, the change is recognized as a transaction between shareholders.

Non-controlling interests in the net assets of consolidated subsidiaries are presented on a separate line of equity under "non-controlling interests." Non-controlling interests include the amount of minority interests as of the acquisition date and the amount represented by minority interests in the change in equity since that date.

Joint ventures and associates

An associate is an entity over which the Group exercises significant influence. Significant influence is the power to influence the making of key financial and operational decisions within the entity, without this demonstrating control or joint control of the Group

A joint venture is a joint arrangement in which the parties, who exercise joint control, are entitled to a share of the net assets of the joint venture. Joint control is demonstrated when, on the basis of the rights granted by the agreement, decisions on the relevant activities of the entity require the unanimous agreement of the parties.

The factors taken into account to demonstrate significant influence or joint control are similar to those used for analyzing the Group control over its subsidiaries. Joint ventures and associates are accounted for using the equity method.

Joint operations

A joint operation is a partnership in which the partners (joint owners), who exercise joint control over the entity, have direct rights over the assets of the entity, and obligations in respect of its liabilities. As a co-investor, the Group recognizes the relevant assets and liabilities line by line, as well as the income and expense related to its interests in the joint operations.

Business combinations

A business combination may involve the purchase of another entity's shares, the purchase of all the net assets of another entity or the purchase of some of the net assets of another entity that together form one or more businesses.

Major services contracts involving staff and asset transfers that enable the Group to develop or significantly improve its competitive position within a business or a geographical sector are accounted for as business combinations when fulfilling the definition of a business under IFRS 3.

Valuation of assets acquired, and liabilities assumed of newly acquired subsidiaries

Business combinations are accounted for according to the acquisition method. The consideration transferred in exchange for control of the acquired entity is measured at fair value. It is calculated, at the date of the acquisition, as the sum of the fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Direct transaction costs related to a business combination are charged to the income statement when incurred and presented as part of Other Operating Income and Expense.

Non-controlling interests may, on the acquisition date, be measured either at fair value or based on their stake in the fair value of the identifiable assets acquired and liabilities assumed of the acquired entity. The choice of measurement methodology is made on a transaction-by-transaction basis.

All the assets, liabilities and contingent liabilities of the acquired subsidiary are measured at their fair value in the opening statement of financial position at acquisition date. The opening statement of financial position is adjusted, when necessary, during the 12 months following the acquisition date.

In step acquisitions, any equity interest held previously by the Group is remeasured at fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss is recognized in Other Operating Income and Expense.

If control in a subsidiary is lost, any gain or loss is recognized in Other Operating Income and Expense. Furthermore, if an investment in the entity is retained by the Group, it is re-measured to its fair value and any gain or loss is also recognized in Other Operating Income and Expense.

Purchase of non-controlling interests and sale of interests in a subsidiary

Transactions with non-controlling interests, without impact on control, are treated as transactions with group shareholders and are recorded in equity.

Assets held for sale/distribution and discontinued operations

When the carrying amount of a non-current asset or disposal group is expected to be recovered principally through a sale/distribution transaction rather than through continuing use, it is presented separately in the Group consolidated statement of financial position under "Assets held for sale". Any related liabilities are also reported on a separate line under "Liabilities related to assets held for sale".

For the reclassification to be made:

- the sale must be highly probable;
- management must be committed to a plan to sell the asset (or disposal group); and
- the asset (or disposal group) must be available for immediate sale in its present condition.

Assets (or disposal groups) held for sale and associated liabilities are measured at the lower of their carrying amount and fair value less costs to sell/distribute. Depreciation of the assets ceases when it is reclassified as held for sale.

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations, or is a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The post-tax profit or loss of the discontinued operation and related disposal gains or losses are presented as a single amount on a separate line of the income statement, with a restatement of the prior year as a comparative. Cash flows from discontinued operations are also reported separately in the Group consolidated statement of cash flows.

The list of main consolidated companies at December 31, 2022 is presented in Note 18.

1.1. Acquisition of Cloudreach

On January 3, 2022, Atos acquired Cloudreach, a leading multi-cloud services company specializing in public cloud application development and cloud migration, with strong partnerships with all three hyperscalers. Through this acquisition, Atos welcomes over 600 highly skilled cloud professionals to further strengthen its global cloud expertise.

Cloudreach was incorporated in 2009 and is headquartered in London with additional offices in the USA, Canada, the Netherlands, Germany, France, Switzerland and India. Cloudreach is reported mainly in the RBUs Northern Europe & APAC and Americas.

The consideration transferred was € 252 million leading to the recognition of a € 248 million goodwill.

Had the acquisition of Cloudreach occurred on January 1, 2022, the twelve-month revenue and operating margin would have been € 93 million and € -11 million, respectively.

1.2. Contemplated and completed disposals

Unified Communications & Collaboration business

In 2021, Atos announced the contemplated disposal of the Unified Communications & Collaboration business and determined that this disposal group met the held for sale classification criteria at the end of September 2021.

In accordance with IFRS 5, Atos considered the held for sale classification remained appropriate as at December 31, 2022 considering the stage of negotiations reached in January 2023 (see Note 19).

Atos Italia S.p.A.

As described in 1.1.6.5, Atos announced on November 17, 2022, that it had entered into exclusive negotiations for the sale of its Italian operations. The Group determined that this disposal group met the held for sale classification criteria as at the date of announcement considering the advanced negotiations with Lutech S.p.A. and the expected closing of the transaction during the first semester of 2023.

Major classes of assets and liabilities related to the two contemplated disposals and classified as held for sale at December 31, 2022 can be presented as follows:

(in € million)	**December 31, 2022**
ASSETS	
Goodwill	346
Intangible assets	156
Tangible assets	12
Right-of-use assets	29
Non-current financial assets	4
Deferred tax assets	43
Total non-current assets	**589**
Trade accounts and notes receivable	172
Current taxes	10
Other current assets	105
Total current assets	**286**
TOTAL ASSETS	**876**

(in € million)	**December 31, 2022**
LIABILITIES	
Provisions for pensions and similar benefits	129
Non-current provisions	28
Deferred tax liabilities	39
Non-current lease liabilities	14
Total non-current liabilities	**210**
Trade accounts and notes payable	215
Current taxes	4
Current provisions	15
Current lease liabilities	8
Other current liabilities	203
Total current liabilities	**446**
TOTAL LIABILITIES	**656**

Cumulated expense recognized in other comprehensive income (loss) amounted to € 54 million.

The measurement of those disposal groups at fair value less costs to sell resulted in a total of € 80 million impairment of goodwill recorded as part of Other operating income and expense in 2022.

Atos Russian operations

As described in 1.1.6.5, Atos launched the process of selling its Russian activities in April 2022 and completed the disposal on September 19, 2022. The disposal resulted in a € 37 million loss recorded as part of Other operating income and expense in 2022.

1.3. Acquisitions in 2021

In Fidem: On January 19, 2021, Atos acquired In Fidem, a Canada-based specialized cybersecurity consulting firm, with expertise in cloud security, digital identity, risk management, security operations, digital forensics and cyber breach response. In Fidem is reported in the RBU Americas.

Motiv: On February 17, 2021, Atos acquired the largest independent Managed Security Services (MSS) provider in the Netherlands. Motiv is reported in the RBU Northern Europe & APAC.

Profit4SF: On February 17, 2021, Atos acquired Profit4SF, a Dutch-based technology and management consulting company specializing in salesforce enterprise implementations for its customers across the Netherlands. Profit4SF is reported in the RBU Northern Europe & APAC.

Ipsotek: On May 28, 2021, Atos acquired Ipsotek, a leading AI enhanced video analytics software provider. Ipsotek is reported in the RBU Northern Europe & APAC.

Processia: On June 1, 2021, Atos acquired Processia, a Product Lifecycle Management (PLM) system integrator and Dassault Systèmes Global Service Partner. Processia is reported in the RBU Americas.

Ideal Group: On July 26, 2021, Atos acquired Ideal Group, a Product Lifecycle Management (PLM) system integrator and platinum-level solution partner of Siemens Digital Industries Software. Ideal Group is reported in the RBU Northern Europe & APAC.

Nimbix: On July 30, 2021, Atos acquired Nimbix, a global leading high-performance computing (HPC) cloud platform provider based in the US, to strengthen its HPC offering. Nimbix is reported in the RBU Americas.

Visual BI: On August 31, 2021, Atos acquired Visual BI, one of the leading and fastest growing firms focusing exclusively on Cloud Data Analytics and Business Intelligence in the US. Visual BI is reported in the RBU Americas.

Cryptovision: On August 31, 2021, Atos acquired Cryptovision, a leader in state-of-the-art cryptographic products and solutions for securing digital identities. Cryptovision is reported in the RBU Central Europe.

DataSentics: On November 30, 2021, Atos acquired DataSentics, a Czech Republic-based data science company specializing in the development of Artificial Intelligence & Machine Learning (AI/ML) business solutions and products. DataSentics is reported in the RBU Central Europe.

AppCentrica: On November 30, 2021, Atos acquired AppCentrica, a Canadian-based technology and management consulting company specializing in Cloud Application and Salesforce services. AppCentrica is reported in the RBU Americas.

Total consideration transferred for these acquisitions was € 334 million. The purchase price allocation of these acquisitions led to the recognition of intangible assets for € 24 million (customer relationships, backlog and technology) and of a € 292 million goodwill.

Had those acquisitions occurred on January 1, 2021, the twelve-month revenue and operating margin for 2021 would have been € 140 million and € 12 million, respectively.

Note 2 Segment information

According to IFRS 8, reported operating segments profits are based on internal management reporting information that is regularly reviewed by the chief operating decision maker, and is reconciled to Group profit or loss. The chief operating decision maker assesses segments profit or loss using a measure of operating profit. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the company CEO.

The internal management reporting is built around two axes: Regional Business Units and Business Lines. Regional Business Units have been determined by the Group as the main axis for analysis by the chief operating decision maker. As a result, and for IFRS 8 requirements, the Group discloses Regional Business Units as operating segments.

A Regional Business Unit is defined as an aggregation of several geographical areas which contain several countries, without taking into consideration the activities exercised within each country. Each Regional Business Unit is managed by a dedicated member of the General Management Committee.

The measurement policies that the Group uses for segmental reporting under IFRS 8 are the same as those used in its financial statements. Corporate entities do not represent an operating segment and are thus presented within "Corporate and Other".

On February 10, 2022, the Group announced a change in governance: starting from the first semester 2022, the Group is organized around three business lines, replacing the former Industries, and the five Regional Business Units (RBUs) are grouped into four.

The three Business Lines are:

- Tech Foundations, that bundles Atos asset-intensive activities and regroups activities reaching maturity such as Data Centre & Hosting, Digital Workplace, Unified Communications & Collaboration (UCC), as well as Business Process Outsourcing (BPO);
- Digital, a skills and capabilities-driven service business that serves Atos customers in Digital, Cloud and Decarbonization and help them succeed in their digital transformation; and
- Big Data & Security (BDS), a high-growth, R&D-intensive business that focuses on Cybersecurity products & services, High performance & Edge computing and Mission critical systems.

The four Regional Business Units are:

- Americas: former North America and the South America cluster of the former Growing Markets RBU;
- Northern Europe & APAC: former Northern Europe and the Asia Pacific cluster of the former Growing Markets RBU;
- Central Europe; and
- Southern Europe.

Corporate and Other regroups Corporate functions, Global Delivery Centers and the other countries previously reported in the former Growing Markets RBU.

Regional Business Units remain the key components reviewed by the chief operating decision maker.

As a result, and for IFRS 8 requirements, Regional Business Units remain the disclosed operating segments.

Regional Business Units are now made of the following countries:

Operating segments	
Americas	Argentina, Brazil, Canada, Chile, Colombia, Guatemala, Mexico, Peru, the United States of America and Uruguay.
Northern Europe & APAC	Australia, Belgium, China, Denmark, Estonia, Finland, Hong Kong, India, Ireland, Japan, Lithuania, Luxembourg, Malaysia, New Zealand, Norway, Philippines, Singapore, Sweden, Taiwan, Thailand, the Netherlands, the United Kingdom and South Korea.
Central Europe	Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Germany, Greece, Hungary, Poland, Israel, Romania, Serbia, Slovakia and Switzerland.
Southern Europe	Andorra, France, Italy, Portugal and Spain.
Corporate and Other	AbuDhabi, Algeria, Benin, Burkina Faso, Egypt, Gabon, Ivory Coast, Kenya, Lebanon, Madagascar, Mali, Mauritius, Morocco, Namibia, Qatar, Saudi-Arabia, Senegal, South Africa, Tunisia, Turkey, UAE as well as Corporate functions and Global Delivery Centers (GDC).

Each Business Line is represented in each RBU.

Inter-segment transfers or transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. The revenues from each external contract amounted to less than 10% of the Group revenue.

The operating segment information for the periods was the following:

(in €million)	Americas	Northern Europe & APAC	Central Europe	Southern Europe	Corporate and Other	Elimination	Total Group
12 months ended December 31, 2022							
External revenue by segment	**2,866**	**3,199**	**2,588**	**2,420**	**269**		**11,341**
% of Group revenue	25.3%	28.2%	22.8%	21.3%	2.4%		100.0%
Inter-segment revenue	110	190	206	127	1,332	-1,966	-
Total revenue	2,975	3,389	2,795	2,547	1,601	-1,966	11,341
Segment operating margin	**222**	**115**	**-10**	**106**	**-78**		**356**
% of margin	7.7%	3.6%	-0.4%	4.4%	-29.0%		3.1%
Total segment assets as at December 31, 2022	**4,134**	**2,982**	**1,267**	**2,125**	**1,321**		**11,829**
Other information on income statement							
Depreciation of assets	-57	-71	-63	-34	-50		-275
Depreciation of right of use	-105	-117	-77	-43	-30		-372
Other information							
Capital expenditure	46	40	66	71	30		251
Net (debt) / cash	748	-131	120	284	-2,470		-1,450
Year end headcount	18,163	16,028	12,562	17,033	47,011		110,797
12 months ended December 31, 2021*							
External revenue by segment	**2,544**	**3,059**	**2,588**	**2,418**	**230**		**10,839**
% of Group revenue	23.5%	28.2%	23.9%	22.3%	2.1%		100.0%
Inter-segment revenue	84	180	207	118	1,263	-1,852	-
Total revenue	2,628	3,239	2,795	2,536	1,493	-1,852	10,839
Segment operating margin	**263**	**84**	**34**	**54**	**-51**		**383**
% of margin	10.3%	2.7%	1.3%	2.2%	-22.4%		3.5%
Total segment assets as at December 31, 2021	**3,873**	**3,025**	**1,553**	**2,481**	**1,626**		**12,559**
Other information on income statement							
Depreciation of assets	-72	-77	-90	-50	-34		-325
Depreciation of right of use	-88	-131	-81	-48	-28		-376
Other information							
Capital expenditure	60	45	90	56	22		272
Net (debt) / cash	821	165	197	271	-2,679		-1,226
Year end headcount	18,354	15,672	13,962	17,131	44,016		109,135

* Figures presented are restated to reflect the new composition of the RBU.

External revenue for France amounted to € 1,800 million in 2022.

The assets detailed above by segment are reconciled to total assets as follows:

(in € million)	December 31, 2022	December 31, 2021
Total segment assets	**11,829**	**12,559**
Tax assets	358	265
Cash & cash equivalents	3,331	3,372
Assets held for sale	876	623
Total assets	**16,394**	**16,819**

Since the first half of 2022, the Group started reporting revenue according to the two new contemplated perimeters: Tech Foundations and Evidian.

For the year ended December 31, 2022, revenue associated with those perimeters were broken down as follows:

(in € million)	Tech Foundations perimeter	Evidian perimeter	Total Group
12 months ended December 31, 2022			
External revenue by perimeter	**6,026**	**5,315**	**11,341**
% of Group revenue	53.1%	46.9%	100.0%

For the year ended December 31, 2021, revenue associated with those perimeters could have been broken down as follows:

(in € million)	Tech Foundations perimeter	Evidian perimeter	Total Group
12 months ended December 31, 2021			
External revenue by perimeter	**5,947**	**4,892**	**10,839**
% of Group revenue	54.9%	45.1%	100.0%

Note 3 Revenue, trade receivables, contract assets, contract liabilities and contract costs

Revenue is recognized if a contract exists between Atos and its customer. A contract exists if collection of consideration is probable, rights to goods or services and payment terms can be identified, and parties are committed to their obligations. Revenue from contracts with customers is recognized either against a contract asset or receivable, before effective payment occurs.

Multiple arrangements services contracts

The Group may enter into multiple-element arrangements, which may include combinations of different goods or services. Revenue is recognized for each distinct good or service which is separately identifiable from other items in the arrangement and if the customer can benefit from it.

Contracts related to the management of IT infrastructure often embed transition and transformation prior to the delivery of recurring services, such as IT support and maintenance.

When transition or transformation activities represent knowledge transfer to set up the recurring service, they provide no incremental benefit to the customer and cannot be considered as a separate performance obligation (set up activities), no revenue is recognized in connection with these activities. The costs incurred during these activities are capitalized as contract costs if they create a resource that will be used in satisfying future performance obligations related to the contract and if they are recoverable. They are amortized on a systematic basis over the contractual period. The cash collected for such activities is considered as advance payment, presented as contract liability, and recognized as revenue over the recurring service period. When these activities transfer to the customer the control of a distinct good or service and the customer can benefit from this good or service independently from the recurring services, they are accounted for separately as separate performance obligations and revenues relating to these activities are recognized.

When a single contract contains multiple distinct goods or services, the consideration is allocated between the goods and services based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices including usual discounts granted at which the Group sells the goods or services separately. Otherwise, the Group estimates stand-alone selling prices using a cost-plus margin approach.

Principal versus agent

When the Group resells hardware, software and IT services purchased from third-party suppliers, it performs an analysis of the nature of its relationship with its customers to determine if it is acting as principal or as agent in the delivery of the good or service. The Group is a principal if it controls the specified good or service before it is transferred to the customer. In such case, revenue is recognized on a gross basis. If the Group is an agent, revenue is recognized on a net basis (net of supplier’s costs), corresponding to any fee or commission to which the Group is entitled. When the Group is providing a significant service of integrating and/or designing the specified good or service, it is acting as a principal in the process of resale. If the specified good or service is distinct from the other services promised to its customer, the Group is acting as a principal notably if it is primarily responsible for the good or service meeting the customer specifications or assumes inventory or delivery risks.

At a point in time versus over time recognition

Revenue is recognized when the Group transfers the control of a good or service to the customer, either at a point in time or over time.

For recurring services, the revenue is recognized over time as the customer simultaneously receives and consumes the benefit provided by the Group’s performance as the Group performs. If the Group has a right to invoice a customer at an amount that corresponds directly with its performance to date, the revenue is recognized at that amount. Otherwise, revenue is recognized based on the costs incurred if the entity’s efforts are not expensed evenly throughout the period covered by the service.

When the Group builds an asset or provides specific developments, revenue is recognized over time, generally based on costs incurred.

When the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced or when the performance does not create an asset with an alternative use and the Group has an enforceable right to payment for the performance completed to date by the contract and local regulations, revenue is recognized over time, generally based on costs incurred.

Otherwise, revenue is recognized at a point in time.

Customer contracts in the form of a lease

Part of certain service arrangements may qualify as a lease under IFRS 16 if they convey a right to use an identified asset in return for payments included in the overall contract remuneration. If service arrangements contain a lease, the Group is considered as manufacturer or dealer-lessor regarding its customers. Where the lease transfers the risks and rewards of ownership of the assets to its customers (finance lease), the Group recognizes revenue representing the selling price of assets held under lease and presents those as contract assets.

Contract costs - Costs to obtain and fulfill a contract

Incremental costs to acquire a multi-year service contracts are capitalized and amortized over the life of the contracts.

Transition & Transformation costs that do not represent a separate performance obligation of a contract are capitalized as contract costs if they create a resource that will be used to perform other performance obligations embedded in the contract and are recoverable. Other costs incurred to obtain or fulfill a contract are expensed when incurred.

Statement of financial position presentation

Contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date. Invoiced to be issued are presented as part of contract assets. When the rights to consideration are unconditional, they are classified as trade receivables.

Contract liabilities relate to payments received from customers in excess of the amounts recognized in revenue in connection with the satisfaction of the related performance obligations. Contract costs are presented separately from contract assets. Contract assets and contract liabilities are netted on a contract by contract basis.

Revenue recognition and associated costs on contracts

Total projected contract costs are based on various operational assumptions such as forecast volume or variance in the delivery costs that have a direct influence on the level of revenue and possible forecast losses on completion that are recognized. A provision for onerous contract is booked if the future costs to fulfill a contract are higher than its related economic benefits.

Financing component

When Atos expects the period between the transfer of goods and services and customer payment to be greater than 12 months, it assesses whether the contract is embedding a financing component granted or received. When significant, interests generated by this financing component are booked separately from revenue.

Impairment of trade receivables and contract assets

Trade receivables and contract assets are recognized using the amortized cost method.

Impairment is calculated on the basis of the expected credit loss model. Under this model, 12-month expected credit losses (resulting from the risk of defaults in the next 12 months) are recorded at their initiation, when the corresponding financial asset is recognized.

3.1. Disaggregation of revenue from contracts with customers

Most of the revenue generated by the Group is recognized over time. The Group applies the "cost-to-cost" method to measure progress to completion for fixed price contracts. Most of the Big Data & Security activities revenue is recognized at a point in time when solutions are delivered except for High Performance Computer solutions when Atos is building a dedicated asset with no alternative use and has a right to payment arising from the contract or local regulations for costs incurred including a reasonable margin. In this specific case, revenue is recognized over time.

Disaggregated revenue by Region and perimeter is presented in Note 2.

3.2. Trade accounts and notes receivable, contract assets, contract liabilities and contract costs

(in € million)	December 31, 2022	December 31, 2021
Contract assets	1,168	1,393
Trade receivables	1,413	1,309
Contract costs	101	93
Expected credit loss allowance	-79	-213
Trade accounts and notes receivable	**2,603**	**2,583**
Contract liabilities	-974	-849
Net accounts receivable	**1,629**	**1,734**
Number of days' sales outstanding (DSO)	**41**	**44**

In 2022, net contract assets decreased by € 350 million, reflecting better conversion of contract assets into trade receivables, as well as advance payments received on HPC contracts.

The average credit period on sale of services is between 30 and 60 days depending on the countries. Main part of contract assets should be converted in trade receivables in the 12 coming months except for contract assets corresponding to the transfer of IT equipment under lease model and the grant of multi-years right to use licenses. Most of the contract liabilities should be converted in revenue in the coming months. The DSO ratio decreased from 44 days at December 31, 2021 to 41 days at December 31, 2022.

Transfer of trade receivables

As of December 31, 2022, € 862 million of trade receivables were transferred to third parties with conditions of the transfers meeting IFRS 9 requirements, meaning transfer of contractual cash flows and transfer of substantially all risks and rewards are achieved. Those trade receivables were therefore derecognized in the statement of financial position as of December 31, 2022. The € 862 million included € 76 million in the US where Atos only sold 95% of the right to cash flows and then derecognizes 95% of the receivables.

The level of trade receivables sold with no recourse to banks with transfer of risks as defined by IFRS 9 increased by € 28 million compared to December 31, 2021. DSO has been positively impacted by the sale of receivables on large customer contracts by 23 days, slightly lower than at December 31, 2021.

Ageing of trade receivables past due

(in € million)	December 31, 2022	December 31, 2021
Current	1 199	1 099
1-30 days overdue	119	67
31-60 days overdue	32	27
Beyond 60 days overdue	64	116
Total	**1 413**	**1 309**

Movements in expected credit loss allowance

(in € million)	December 31, 2022	December 31, 2021
Balance at beginning of the year	-213	-109
Impairment losses recognized	-12	-173
Amounts written off	6	57
Impairment losses reversed	147	6
Impact of business combinations	-0	-0
Reclassification to assets held for sale	1	12
Other reclassification and exchange differences	-8	-5
Balance at end of the year	**-79**	**-213**

Impairment losses reversed of € 147 million mainly related to the write-off of trade receivables and contract assets for which bad debt reserves were recognized in 2021 on two American customers.

Note 4 Operating items

4.1. Personnel expense

(in € million)	12 months ended December 31, 2022	% Revenue	12 months ended December 31, 2021	% Revenue
Wages and salaries	-4,733	41.7%	-4,245	39.2%
Social security charges	-890	7.8%	-956	8.8%
Tax, training, profit-sharing	-72	0.6%	-70	0.6%
Net (charge)/release to provisions for staff expense	-0	0.0%	1	0.0%
Net (charge)/release of pension provisions	3	0.0%	1	0.0%
TOTAL	**-5,692**	**50.2%**	**-5,269**	**48.6%**

4.2. Non-personnel operating expense

(in € million)	12 months ended December 31, 2022	% Revenue	12 months ended December 31, 2021	% Revenue
Subcontracting costs direct	-2,155	19.0%	-1,951	18.0%
Hardware and software purchase	-1,151	10.1%	-1,243	11.5%
Maintenance costs	-535	4.7%	-532	4.9%
Rent expense	-11	0.1%	-11	0.1%
Telecom costs	-207	1.8%	-212	2.0%
Travelling expense	-69	0.6%	-45	0.4%
Professional fees	-222	2.0%	-214	2.0%
Other expense	-381	3.4%	-355	3.3%
Subtotal expense	**-4,732**	**41.7%**	**-4,564**	**42.1%**
Depreciation of assets	-275	2.4%	-325	3.0%
Depreciation of right-of-use	-372	3.3%	-376	3.5%
Net (charge)/release to provisions	-3	0.0%	-2	0.0%
Gains/(Losses) on disposal of assets	-6	0.1%	-1	0.0%
Trade receivables write-off	-6	0.1%	-24	0.2%
Capitalized production	102	-0.9%	106	-1.0%
Subtotal other expense	**-561**	**4.9%**	**-622**	**5.7%**
TOTAL	**-5,293**	**46.7%**	**-5,187**	**47.9%**

Rent expense corresponds to short-term lease contracts and low value assets (see Note 15).

4.3. Trade accounts and notes payable

(in € million)	December 31, 2022	December 31, 2021
Trade accounts and notes payable	**2 187**	**2 003**
Net advance payments	-28	-40
Prepaid expense and advanced invoices	-569	-603
TOTAL	**1 590**	**1 359**
Number of days' payable outstanding (DPO)	**85**	**78**

The increase in trade payables is due to exceptional costs linked to the Group transformation plan.

4.4. Other current assets

(in € million)	December 31, 2022	December 31, 2021
Inventories	157	125
State - VAT receivables	280	284
Prepaid expense and advanced invoices	569	603
Other receivables & current assets	452	378
Net advance payments	28	40
TOTAL	**1 485**	**1 430**

4.5. Other current liabilities

(in € million)	**December 31, 2022**	**December 31, 2021**
Employee-related liabilities	445	392
Social security and other employee welfare liabilities	157	161
VAT payables	411	447
Contract liabilities	974	849
Other operating liabilities	273	282
TOTAL	**2 260**	**2 131**

Employee-related liabilities included € 72 million of signed settlements with employees in connection with the former restructuring plan in Germany, compared to € 43 million at December 31, 2021.

Note 5 Other operating income and expense

Other Operating Income and Expense is an Alternative Performance Measure and is defined in section 1.1.6.4

Equity-based compensation

Performance shares are granted to management and certain employees at regular intervals. Those equity-based compensation schemes are measured at fair value at the grant date considering market-based performance condition, when applicable.

The fair value of such plans are recognized in "Other operating income and expense" over the vesting period with the offsetting credit recognized in equity. The service and non-market performance conditions are taken into account in estimating the number of awards that are expected to vest, with a true-up to the number ultimately satisfied.

When an equity-based compensation is settled into cash, the plan is measured at the fair value of the liability at each reporting date so that it ultimately equals the cash payment on settlement date.

Employee share purchase plans offer employees the opportunity to invest in Group shares at a discounted price. Shares are subject to a five-year lock-up period. Fair values of such plans are measured considering:

- the share price at the attribution date;
- the percentage of discount granted to employees;
- the attribution of free shares for the first subscribed shares according to the matching share plan;
- the consideration of the five-year lock-up restriction to the extent it affects the price that a knowledgeable, willing market participant would pay for that share; and
- the grant date.

Fair value of such plans is fully recognized in "Other operating income and expense" at the end of the subscription period.

Social contributions linked to equity-based compensation schemes are also presented as "Other operating income and expense".

The following table presents “Other operating income and expense” by nature:

(in € million)	**12 months ended December 31, 2022**	**12 months ended December 31, 2021**
Staff reorganization	-352	-312
Rationalization and associated costs	-69	-81
Integration and acquisition costs	-30	-44
Amortization of intangible assets (PPA from acquisitions)	-140	-151
Equity-based compensation	-25	-34
Impairment of goodwill and other non-current assets	-177	-1 490
Other items	-359	-1 039
TOTAL	**-1 151**	**-3 151**

In addition to the cost of workforce adaptation measures already planned at the beginning of 2022 and mostly executed over the first half of the year, staff reorganization expense of € 352 million included € 266 million of costs related to Atos envisioned transformation plan. Such costs included the first restructuring and reskilling actions taken by both Tech Foundations and Evidian, as well as costs linked to the preparation of the envisioned separation into two public entities. Staff reorganization expense also comprised a € 60 million release of provision in connection with the German restructuring plan launched in 2021 and closed at the end of 2022 before completion, as this plan was superseded by a new plan with similar measures as part of Atos transformation plan and announced at the end of December; a € 62 million provision was accrued to cover the currently identified perimeter.

The € 69 million rationalization and associated costs primarily resulted from the closure of office premises and data center consolidation, mainly in North America, France and Germany.

Integration and acquisition costs decreased to € 30 million and included mainly the cost of integration of Cloudreach, as well as the cost of retention schemes from 2020 and 2021 acquisitions.

In 2022, the amount related to the amortization of intangible assets recognized in Purchase Price Allocation exercises decreased to € 140 million compared to € 151 million in 2021, mainly as a result of impairment charges recorded at the end of 2021.

The € 140 million amortization charge of Purchase Price Allocation intangible assets in 2022 were mainly composed of:

- € 66 million of Syntel customer relationships and technologies amortized over 12 years starting November 1, 2018;
- € 17 million of SIS customer relationships amortized over 12 years starting July 1, 2011;
- € 16 million of Bull customer relationships and patents amortized over respectively 9 years and 7 to 10 years starting September 1, 2014;
- € 11 million of Anthelio customer relationships amortized until February 2026.

A customer relationship related to the Anthelio acquisition was impaired for € 34 million in 2022.

The equity-based compensation expense decreased from € 34 million in 2021 to € 25 million in 2022, reflecting the lower fair values of the 2021 and 2022 performance share plans compared to the plans delivered in 2021 (2018 plans), together with an under achievement of the performance on the 2019 plans and a high level of forfeitures in 2022.

Impairment of goodwill and other non-current assets amounted to € 177 million and mainly comprised:

- € 80 million of impairment of goodwill related to the Unified Communications & Collaboration business (see Notes 1 and 8); and
- € 97 million of impairment of other non-current assets (intangible and right-of-use assets) (see Notes 8.2 and 9).

In 2022, other items totaled € 359 million compared to € 1,039 million in 2021. They included a one-off impact of € 210 million from Tech Foundations addressing some of its largest underperforming contracts, mainly a large BPO contract that was early terminated in January 2023 (see Note 19) and the loss on the disposal of Atos Russian activities in September 2022 for € 37 million. The balance comprised the effects of settlements on customer and vendor contracts, as well as pension and early retirement programs in Germany, the UK and France.

Equity-based compensation

The € 25 million expense recorded within other operating income and expense relating to equity-based compensation (€ 34 million in 2021) was mainly made up of:

- € 21 million related to performance share plans granted from 2019 to 2022 of which € 8 million related to the 2022 performance share plans;
- € 4 million related to the cash-settled incentive plan implemented in the first half of 2022.

The equity-based compensation plans are detailed by year and by nature as follows:

By year

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Plans 2022*	12	
Plans 2021	7	7
Plans 2020	8	26
Plans 2019	0	-9
Plans 2018	-1	9
Plans 2017	-	1
TOTAL	**25**	**34**

** including the cash-settled plan attributed in 2022.*

By category of plans

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Performance share plans	21	31
Stock option plans	-0	0
Employee share purchase plans	0	2
Cash-settled incentive plans	4	-
TOTAL	**25**	**34**

Performance share plans

In 2022, Atos implemented three new performance share plans, one of them having three vesting tranches:

Board of directors meeting date	**May 18, 2022**	**June 13, 2022**
Number of shares granted	264,000	39,000
Share price at grant date (€)	23.4	18.8
Vesting date	May, 18 2025	June, 18 2025
Expected life (years)	3	3
Expected dividend yield (%)	1.74	1.74
Fair value of the instrument (€)	**19.27**	**14.91**
2022 expense recognized (in € million)	**0**	**0**

Board of directors meeting date	**May 18, 2022**	**May 18, 2022**	**May 18, 2022**
Number of shares granted	309,560	309,703	619,352
Share price at grant date (€)	23.4	23.4	23.4
Vesting date	May, 18 2023	May, 18 2024	May, 18 2025
Expected life (years)	1	2	3
Expected dividend yield (%)	1.74	1.74	1.74
Fair value of the instrument (€)	**21.56**	**21.19**	**20.82**
2022 expense recognized (in € million)	**4**	**2**	**2**

Rules governing the performance share plans in the Group are as follows:

- To receive the share, the grantee must generally be an employee or a corporate officer of the Group or an employee of a company related to Atos;
- Vesting is generally conditional upon both the continued employment and the achievement of performance criteria, financial and non-financial ones that vary according to the plan rules such as:
  - internal financial performance criteria including Group revenue growth, Group Operating Margin and Group Free Cash Flow (FCF);
  - internal and external social and environmental responsibility performance criteria;
  - an external stock market performance criterion;
- The vesting period varies according to the plan rules but never exceeds 3 years;
- The lock-up period ranges from 0 to 2 years.

Main previous plans impacting 2022 consolidated income statement are detailed as follows:

Board of directors meeting date	**July 24, 2020**	**July 24, 2021**
Number of shares granted	870,630	862,100
Share price at grant date (€)	75.0	41.2
Vesting date	July 24, 2023	July 24, 2024
Expected life (years)	3	3
Expected dividend yield (%)	2.07	2.09
Fair value of the instrument (€)	**68.74**	**39.67**
2022 expense recognized (in € million)	**6**	**7**

Board of directors meeting date	**July 24, 2019**	**October 23, 2019**
Number of shares granted	907,500	12,000
Share price at grant date (€)	69.8	63.6
Vesting date	July 24, 2022	October 23, 2022
Expected life (years)	3	3
Expected dividend yield (%)	2.07	2.07
Fair value of the instrument (€)	**65.55**	**59.77**
2022 expense recognized (in € million)	**0**	**0**

Upon the recommendation of the Nomination Committee, the Board of Directors decided to revise the financial targets for the performance share plans granted in 2020 and 2021 respectively, applicable to all beneficiaries of these plans.

The purpose of that revision was to align the performance targets of these performance share plans with the mid-term plan announced to the market on June 14, 2022.

Stock option plans

In 2019, Atos implemented a stock option plan detailed as follows:

Board of directors meeting date	**July 24, 2019**
Number of stock options initially granted	209,200
Share price at grant date (€)	77.9
Strike price (€)	80.1
Vesting date	July 24, 2022
Expected maturity of the plan (years)	3
Expected dividend yield (%)	2.07
Fair value of the instrument (in €)	**6.67**
2022 expense recognized (in € million)	**0**

The change in outstanding share options for Atos SE during the period was the following:

(in €million)	December 31, 2022 Number of shares	December 31, 2022 Weighted average strike price (in €)	December 31, 2021 Number of shares	December 31, 2021 Weighted average strike price (in €)
Outstanding at the beginning of the period	**137,000**	**77.9**	**162,900**	**77.9**
Granted during the period				
Forfeited during the period	-39,000	77.9	-25,900	77.9
Exercised during the period				
Expired during the period	-98,000	77.9		
Outstanding at the end of the period	**-**	**77.9**	**137,000**	**77.9**
Exercisable at the end of the period, below period-end stock price*	-	-	-	-

(*) Stock price : € 9.01 at December 31, 2022 and € 37.39 at December 31, 2021.

The vesting of the stock-options plan dated July 24, 2019 was subject to the relative performance of the Atos SE share compared to the performance of a basket consisting of indexes and shares, measured on the basis of the average of the opening share price (dividends reinvested) during the trading days of the calendar quarter preceding the grant date and the vesting date of the options.

During its meeting held on July 26, 2022, the Board of Directors validated the non-achievement of the performance condition of the stock options plan dated July 24, 2019. All outstanding stock options were thus forfeited.

Employee share purchase plans

In 2022, the Group did not implement any employee share purchase plan.

Cash-settled incentive plan

In 2022, Atos implemented an equity-based compensation plan for the beneficiaries of the performance share plans granted in 2019. Subject to their continued employment, the value of the plan based on the value of Atos SE share on the vesting date (July 24, 2022) was settled in cash in September 2022.

The related expense amounted to € 4 million.

Note 6 Financial assets, liabilities and financial result

6.1. Financial result

Net financial expense amounted to € 175 million for the period (compared to € 151 million in the prior year) and was composed of a net cost of financial debt of € 29 million and of other financial expense of € 146 million.

Net cost of financial debt

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Interest income	70	30
Interest expense	-99	-55
Net cost of financial debt	**-29**	**-25**

Net cost of financial debt was € 29 million (compared to € 25 million in 2021) and resulted from the following elements:

- Excluding the OEB, the average gross borrowing of € 5,557 million compared to € 3,944 million in 2021 bearing an average expense rate of 0.92% compared to 0.94% last year. The average gross borrowing expense was mainly explained by:
  - the used portion of the syndicated loan combined with the Negotiable European Commercial Papers (NEU CP), the Negotiable European Medium-Term Note program (NEU MTN) for an average of € 2,067 million (compared to an average of € 1,418 million in 2021) and the Term Loans starting in July 2022 bearing an effective interest rate of -0.43%, benefiting from the attractive remuneration applied to the NEU CP;
  - a € 300 million bond issued in October 2016 bearing a coupon rate of 1.44%;
  - a € 750 million bond issued in November 2018 bearing a coupon rate of 1.75%;
  - a € 700 million bond issued in November 2018 bearing a coupon rate of 0.75% (fully repaid in May 2022);
  - a € 350 million bond issued in November 2018 bearing a coupon rate of 2.50%;
  - a € 800 million sustainability-linked bond issued in November 2021 bearing a coupon rate of 1.00%;
  - other sources of financing, for an average of € 290 million, bearing an effective interest rate of 1.34%.
- the average gross cash varied from € 2,021 million in 2021 to € 2,450 million in 2022 bearing an average income rate of 0.91%, compared to 0.61% in 2021. The average income rate increase is explained by a better remuneration on the deposits and Money Market Funds, from € 12 million in 2021 to € 22 million in 2022.

Other financial income and expense

On June 14, 2022, Atos completed the sale of its entire stake in Worldline.

The sale transaction resulted in a loss of € 109 million recognized in the income statement as part of "Other financial income and expense".

Concomitantly to the sale, Atos entered into a derivative transaction to hedge its residual exposure to Worldline shares related to the outstanding exchangeable bonds due in 2024, which were issued in 2019.

The premium paid on the derivative transaction was recognized on the balance sheet as a derivative asset and subsequently remeasured in accordance with IFRS 9 at fair value through the income statement as part of "Other financial income and expense".

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Foreign exchange income (expense)	4	-1
Fair value gain (loss) on forward contracts	-2	2
Net gain (loss) on financial instruments related to Worldline shares	-83	-81
Interest on lease liability	-22	-15
Other income (expense)	-43	-31
Other financial income and expense	**-146**	**-126**
Of which:		
- other financial expense	-289	-290
- other financial income	143	164

Other financial expense amounted to € 146 million compared to € 126 million in 2021 and was mainly composed of:

- a net loss of € 83 million made of the net loss from the disposal of the residual interest in Worldline, the change in value of the OEB derivative and the derivative to hedge the residual exposure to Worldline shares, both measured at fair value through profit and loss under IFRS 9;
- lease liability interest of € 22 million compared to € 15 million in 2021. This variation mainly resulted from the increase in discount rates;
- pension related financial expense of € 16 million, an increase compared to € 10 million in 2021 due to the increase in interest rates across all geographies. The pension financial cost represented the difference between interest costs on pension obligations and the return on plan assets;
- a net foreign exchange gain (including hedges) of € 3 million compared to € 1 million in 2021.

6.2. Cash and cash equivalents

Cash and cash equivalents include cash at bank and financial instruments such as money market securities. Such financial instruments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. They are held for the purpose of meeting short-term cash commitments and have a short maturity, in general three months or less from the date of acquisition. Some instruments, such as term deposits, that have at inception a longer maturity but provide for early withdrawal and a capital guarantee may also be classified as cash equivalents under certain circumstances. Money market securities are recognized at their fair value. Changes in fair value are recorded in the income statement under "Other financial income and expense".

For entities having subscribed to the Group cash pooling agreement, the cash/debt positions which are linked to this agreement are mutualized and only the net position is presented in the consolidated statement of financial position.

The cash and cash equivalents are held with bank and financial institutions counterparts, the majority of which are rated A- to AA-. Impairment on cash and cash equivalents is calculated based on a default probability.

(in € million)	December 31, 2022	December 31, 2021
Cash in hand and short-term bank deposit	3,256	3,313
Money market funds	75	59
TOTAL	**3,331**	**3,372**

Depending on market conditions and short-term cash flow expectations, Atos from time to time invests in money market funds or bank deposits with a maturity period not exceeding three months.

6.3. Non-current financial assets

(in € million)		December 31, 2022	December 31, 2021
Pension prepayments	Note 11	28	261
Fair value of non-consolidated investments, net of impairment		5	347
Other*		138	232
TOTAL		**171**	**840**

** "Other" includes loans, deposits, guarantees and up-front and underwriting fees related to past acquisitions amortized over the duration of the debt instrument.*

The decrease in the fair value of non-consolidated investments for € 342 million corresponded to the disposal of the retained interest in Worldline on June 14, 2022. As a result of that disposal, Atos is no longer a shareholder of Worldline.

Changes in "other" included a decrease of € 115 million related to the funding of the German restructuring plan announced in July 2021. This decrease corresponded to a € 55 million reclassification to current assets and a € 60 million reimbursement of the unused funding of the plan.

6.4. Financial liabilities

Borrowings

Borrowings are initially recognized at fair value, net of debt issuance costs. Borrowings are subsequently measured at amortized cost. The calculation of the effective interest rate considers interest payments and the amortization of debt issuance costs.

Debt issuance costs are amortized in financial expense over the life of the loan though the use of the amortized cost method. The residual value of issuance costs for loans derecognized is fully expensed on the date of derecognition.

Bank overdrafts are recorded in the current portion of borrowings.

Derivatives

Derivative instruments are recognized as financial assets or liabilities at their fair value. Any change in the fair value of these derivatives is recorded in the income statement as a financial income or expense, except when they are eligible for hedge accounting.

The market value of derivative financial instruments is provided by the financial institutions involved in the transactions or calculated using standard valuation methods that factor market conditions as of the end of the reporting period.

The Group has identified three financial instrument categories based on the two valuation methods used (listed prices and valuation techniques). In accordance with IFRS, this classification is used as a basis for presenting the characteristics of financial instruments recognized in the statement of financial position at fair value through income as of the end of the reporting period:

- Level 1 category: financial instruments quoted on an active market;
- Level 2 category: financial instruments whose fair value is determined using valuation techniques drawing on observable market inputs;
- Level 3 category: financial instruments whose fair value is determined using valuation techniques drawing on non - observable inputs (inputs whose value does not result from the price of observable market transactions for the same instrument or from observable market data available as of the end of the reporting period) or inputs which are only partly observable.

Term loans of €1.8 billion and revolving credit facility of € 0.9 billion

On July 29, 2022, Atos announced a new financing structure to support the envisioned transformation plan as follows:

- a € 1.5 billion term loan ("Term Loan A") with an initial duration of 18 months and two extension periods of 6 months each;
- a € 0.3 billion bridge loan ("Term Loan B") with an initial duration of 12 months and one extension period of 6 months. Its purpose is to pre-finance assets disposals;
- the amount of the existing revolving credit facility (signed in 2018) was reduced from € 2.4 billion to € 0.9 billion.

The leverage ratio applicable to the revolving credit facility has been revised from 2.5 to 3.75. This ratio also applies to Term Loan A and Term Loan B.

Repayment of the € 700 million bond

On May 9, 2022, the € 700 million bond issued in November 2018 bearing a coupon rate of 0.750% was fully repaid.

Issuance of a € 800 million sustainability-linked bond

On November 4, 2021, Atos announced the successful placement of its inaugural € 800 million sustainability-linked bond with an 8-year maturity and a 1.0% coupon.

The coupon of the last three years will be unchanged if Atos achieves the following Sustainability Performance Target ("SPT"): reduction in 2025 of Atos annual GreenHouse Gas CO2 emissions (Scopes 1, 2 & 3) by 50% compared to 2019. In case the SPT is not met, the last three coupons shall be increased by 0.175%. The proceeds of the bond will be used for general corporate purposes.

Issuance of a € 500 million bond exchangeable in Worldline shares

Atos issued on November 2019 bonds due in 2024 for an aggregate nominal amount of € 500 million. The bonds will be exchangeable into Worldline shares, at a premium of 35% above the placing price of the Equity placement. The bonds will not bear interest and have a maturity of 5 years (except in case of early redemption). The bonds have been offered at a price of 108.875% of the principal amount and will be redeemed at their principal amount of maturity, corresponding to an annual yield to maturity of -1.7%.

In accordance with IFRS 9, a derivative liability was initially booked corresponding to the value of a call option on Worldline shares (Level 2 category) at the issuance of the bond. The net change in the fair value of the derivative liability between December 31, 2021 and December 31, 2022 of € 26 million was recorded in income statement as part of the financial result leading to a total value in the consolidated statement of financial position of € 13 million at December 31, 2022 (see Note 13).

The call option derivative component value is indexed to Worldline shares price and other criteria. At issue date, the reference exchange price of Worldline shares was € 71.55. At December 31, 2022, the Worldline share price was € 36.53.

In June 2022 subsequent to the disposal of its entire stake in Worldline, Atos entered into a derivative transaction to hedge this exposure to the fluctuations of worldline share price (see note 6.1).

	December 31, 2022			December 31, 2021		
(in € million)	Current	Non-current	Total	Current	Non-current	Total
Bonds	300	1,900	2,200	700	2,200	2,900
Optional exchangeable bond	-	500	500	-	500	500
Banks loans and commercial papers	1,930	50	1,980	979	50	1,029
Other borrowings	182	-	182	170	-	170
Total borrowings	**2,412**	**2,450**	**4,862**	**1,849**	**2,750**	**4,599**

Borrowings in currencies

The carrying amounts of the Group borrowings were denominated in the following currencies:

(in € million)	EUR	Other currencies	Total
December 31, 2022	**4,680**	**182**	**4,862**
December 31, 2021	**4,429**	**170**	**4,599**

Fair value and effective interest rate of financial debt

The fair value of bank loans and commercial papers, which are primarily composed of variable interest rate loans, is considered to be equal to their carrying value. For other elements of borrowings, the carrying value is considered the best estimate of fair value, the difference between the fair value and the carrying value being not material.

Non-current borrowings maturity

(in € million)	2024	2025	2026	2027	>2027	Total
Bonds	-	750	-	-	1,150	1,900
Optional exchangeable bond	500	-	-	-	-	500
Banks loans and NEU CP	-	-	50	-	-	50
Other borrowings	-	-	-	-	-	0
December 31, 2022	**500**	**750**	**50**	**0**	**1,150**	**2,450**

(in € million)	2023	2024	2025	2026	>2026	Total
Bonds	300	-	750	-	1,150	2,200
Optional exchangeable bond	-	500	-	-	-	500
Banks loans and NEU CP	-	-	-	50	-	50
Other borrowings						0
December 31, 2021	**300**	**500**	**750**	**50**	**1,150**	**2,750**

Assumptions retained regarding the presentation of the maturity of non-current borrowings

The valuation of financial liabilities was conducted based on:

- exchange rates prevailing as of December 31, 2022;
- interest rates presented hereafter.

The effective interest rates in 2022 were as follows:

(in € million)	Carrying value	Fair value	Effective interest rate
Bonds	2 200	2 200	-1,27%
Optional exchangeable bond	500	500	0,95%
Banks loans and commercial papers	1 980	1 980	-0,43%
Other borrowings	182	182	
Total borrowings	**4 862**	**4 862**	

6.5. Change in net debt

Financial liabilities changes and net debt (cash) changes reconcile to the cash flow statement as follows:

(In € million)	**Bonds**	**Optional exchan-geable bond**	**Bank loans and commerci al papers**	**Other borrow-ings excl. overdraft**	**Total borrowings**	**Cash & cash equiva-lents**	**Over draft**	**Total net cash & cash equivalents**	**Short-term financial assets/lia bilities***	**Net debt/ (cash)**	**Lease liabilities**
At January 1, 2022	**2,900**	**500**	**1,029**	**37**	**4,466**	**3,372**	**-133**	**3,239**	**2**	**1,226**	**1,254**
Lease payments	-	-	-	-	-	-405	-	-405	-	405	-405
New borrowings	-	-	1,850		1,850	1,850	-	1,850	-	-	-
Repayment of current and non-current borrowings	-700	-	-899	-33	-1,632	-1,632	-	-1,632	-	-	-
Net cost of financial debt paid	-	-	-	-	-	-29	-	-29	-	29	-
Other flows related to financing activities	-	-	-	1	1	-81	-	-81	82	1	-
Other cash flow changes	-	-	-	36	36	194	-23	171	-2	-133	-
Cash flows impacts	**-700**	**-**	**952**	**4**	**255**	**-103**	**-23**	**-127**	**80**	**302**	**-405**
Change in lease liabilities	-	-	-	-	-	-	-	-	-	-	136
Interest on lease liability	-	-	-	-	-	-	-	-	-	-	22
Impact of exchange rate fluctuations	-	-	-	0	0	63	15	78	-1	-77	20
Reclassification to assets held for sale	-	-	-	-	-	-	-	-	-	-	-14
Other changes	**-**	**-**	**-**	**0**	**0**	**63**	**15**	**78**	**-1**	**-77**	**164**
At December 31, 2022	**2,200**	**500**	**1,980**	**41**	**4,722**	**3,331**	**-141**	**3,190**	**81**	**1,450**	**1,013**
Non-current portion	1,900	500	50		2,450			-		2,450	704
Current portion	300		1,930	41	2,272	3,331	-141	3,190	81	-1,000	309

**Short-term financial assets and liabilities bearing interests with maturity of less than 12 months.*

(in € million)	December 31, 2022	December 31, 2021
Cash and cash equivalents	3,331	3,372
Overdrafts	-141	-133
Net cash and cash equivalents	**3,190**	**3,239**

6.6. Breakdown of assets and liabilities by financial categories

The book value of financial assets corresponds to their fair value.

As at December 31, 2022 the breakdown of assets was the following:

(in € million)	Loans and receivables at amortized cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivative related assets
Non-current financial instruments	-	-	-	13
Trade accounts and notes receivable	2,603	-	-	-
Other current assets*	732	-	-	-
Current financial instruments	-	-	-	18
Cash and cash equivalents	-	-	3,331	-
Total	**3,335**	**-**	**3,331**	**31**

* excluding inventories, prepaid expense, advanced invoices and net advance payments.

As at December 31, 2021, the breakdown of assets was the following:

(in € million)	Loans and receivables at amortized cost	Fair value through other comprehensive income	Fair value through profit and loss	Derivative related assets
Non-current financial instruments	1	-	-	-
Trade accounts and notes receivable	2,583	-	-	-
Other current assets*	662	-	-	-
Current financial instruments	-	-	-	14
Cash and cash equivalents	-	-	3,372	-
Total	**3,246**	**-**	**3,372**	**14**

* excluding inventories, prepaid expense, advanced invoices and net advance payments.

As at December 31, 2022 the breakdown of liabilities was the following:

(in € million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities – Measurement at amortized cost	Derivative related liabilities	Other
Borrowings	-	2,450	-	-
Derivative liabilities	-	-	13	-
Non-current financial instruments	-	-	-0	-
Trade accounts and notes payable	-	2,187	-	-
Current portion of borrowings	-	2,412	-	-
Current financial instruments	-	-	11	-
Total	**-**	**7,049**	**24**	**-**

As at December 31, 2021 the breakdown of liabilities was the following:

(in € million)	Financial Liabilities designated at fair value through profit or loss	Financial Liabilities – Measurement at amortized cost	Derivative related liabilities	Other
Borrowings	-	2,750	-	-
Derivative liabilities	-	-	40	-
Non-current financial instruments	-	-	0	-
Trade accounts and notes payable	-	2,003	-	-
Current portion of borrowings	-	1,849	-	-
Current financial instruments	-	-	4	-
Total	**-**	**6,601**	**44**	**-**

Note 7 Income tax

The income tax charge includes current and deferred tax expense. Deferred tax is calculated whenever temporary differences occur between the tax base and the consolidated base of assets and liabilities. Deferred tax assets and liabilities are valued using the enacted tax rate at the closing date that will be in force when temporary differences reverse. They are not discounted.

In case of a change in tax rate, the deferred tax assets and liabilities are adjusted through the income statement except if those changes relate to items recognized in other comprehensive income or in equity.

Deferred tax assets corresponding to temporary differences and tax losses carried forward are recognized when they are considered to be recoverable during their validity period, i.e. when it is probable that taxable profit will be available against which the deferred tax assets can be utilized. Estimates of taxable profits and utilizations of tax loss carry forward are prepared on the basis of profit and loss forecasts arising from the Group mid-term plan (other durations may apply due to local specificities).

Deferred taxes are recorded for all taxable temporary differences of subsidiaries, associates and partnerships, unless Atos is in a position to control the timing of reversal of the temporary differences and it is probable that such reversal will not take place in the foreseeable future.

Deferred tax assets and liabilities are netted off at the taxable entity level, when there is a legal right to offset.

7.1. Current and deferred taxes expense

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Current tax	-85	-78
Deferred tax	39	39
Total	**-46**	**-39**

7.2. Effective tax rate

The difference between the French standard tax rate and the Effective Tax Rate (ETR) is explained as follows:

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Profit (loss) before tax	-970	-2 919
French standard tax rate	25,8%	28,4%
Theoretical tax income (expense) at French standard rate	**251**	**829**
Impact of permanent differences	-62	-366
Differences in foreign tax rates	-2	-47
Movement on recognition of deferred tax assets	-284	-446
Equity-based compensation	-5	-8
Change in deferred tax rates	22	-15
Taxes not based on taxable income	34	25
Withholding taxes	-5	-1
French Tax credit	9	10
Other	-4	-20
Group tax income (expense)	**-46**	**-39**
Effective tax rate	**-4,7%**	**-1,3%**

The income tax charge for 2022 was € 46 million with a loss before tax of € 970 million. The Effective Tax Rate (ETR) was -4.7% compared to -1.3% in 2021. The tax charge included movement in recognition of deferred tax assets for a net amount of € 284 million.

7.3. Restated effective tax rate

After restating the unusual items, the restated profit before tax was € 264 million, the restated tax charge was € 296 million and the restated effective tax rate was 112.1%.

(in €million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Profit (loss) before tax	**-970**	**-2,919**
Other operating income and expense	-1,151	-3,151
Net gain (loss) on financial instruments related to Worldline shares	-83	-81
Profit (loss) before tax excluding unusual items	**264**	**313**
Tax impact on unusual items	250	486
Group tax income (expense)	-46	-39
Total of tax income (expense) excluding tax on unusual items	**-296**	**-525**
Restated effective tax rate	**112.1%**	**168.0%**

7.4. Deferred taxes assets and liabilities

(In € million)	December 31, 2022	December 31, 2021
Deferred tax assets	294	189
Deferred tax liabilities	148	67
Net deferred tax	**146**	**122**

7.5. Breakdown of deferred tax assets and liabilities by nature

(in €million)	Tax losses carry forward	Intangible assets recognized as part of PPA	Fixed assets	Pensions	Other	Total
December 31, 2020	**242**	**-202**	**6**	**239**	**-98**	**187**
Charge to profit or loss for the year	-90	48	16	-11	76	39
Change of scope	3	-7	-1	4	-3	-3
Charge to equity	0	-	0	-106	-4	-110
Reclassification	7	-0	-2	8	-4	8
Reclassification to assets held for sale	-8	10	4	-18	11	-2
Exchange differences	5	-10	4	-	4	3
December 31, 2021	**158**	**-161**	**28**	**115**	**-18**	**122**
Charge to profit or loss for the year	27	52	-7	2	-36	39
Change of scope	29	-7	0	0	3	25
Charge to equity	-0	-0	-	-38	3	-35
Reclassification	-3	5	-1	10	-11	-1
Reclassification to assets held for sale	-	0	-1	-0	-2	-3
Exchange differences	5	-6	-3	1	1	-2
December 31, 2022	**216**	**-116**	**16**	**89**	**-60**	**146**

7.6. Tax losses carry forward schedule (basis)

	December 31, 2022			**December 31, 2021**		
(in € million)	**Recognized**	**Unrecognized**	**Total**	**Recognized**	**Unrecognized**	**Total**
2022	-	-	-	2	36	38
2023	1	2	3	2	1	3
2024	1	1	2	-	4	4
2025	6	3	9	4	2	7
2026	7	2	9			
Tax losses available for carry forward for 5 years and more	128	35	163	51	32	83
Ordinary tax losses carry forward	**143**	**44**	**186**	**59**	**76**	**135**
Evergreen tax losses carry forward	**1 108**	**5 197**	**6 305**	**623**	**4 350**	**4 973**
Total tax losses carry forward	**1 251**	**5 241**	**6 492**	**682**	**4 425**	**5 108**

In 2022, the countries with the largest tax losses available for carry forward were Germany (€ 2,266 million, compared to €1,899 million in 2021), France (€ 1,966 million, compared to € 1,740 million in 2021), the United Kingdom (€ 1,120 million, compared to € 491 million in 2021), the United States (€ 387 million, compared to € 288 million in 2021), the Netherlands (€ 176 million, compared to € 279 million in 2021), Brazil (€ 82 million in 2022 and 2021), Spain (€ 90 million, compared to € 74 million in 2021), Austria (€ 78 million, compared to € 58 million in 2021), Switzerland (€ 64 million, compared to € 36 million in 2021) and Belgium (€ 58 million, compared to € 7 million in 2021).

€ 193 million of tax losses available for carry forward are related to the Unified Communications & Collaboration business which is classified as held for sale (see Note 1).

7.7. Deferred tax assets not recognized by the Group

(in € million)	**December 31, 2022**	**December 31, 2021**
Tax losses carry forward	1 106	930
Temporary differences	457	424
Total	**1 563**	**1 354**

Note 8 Goodwill and fixed assets

8.1. Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the amounts of the identifiable assets acquired and the liabilities assumed at the acquisition date. If, after assessment, the resulting difference is negative, the excess is recognized immediately in profit or loss as a bargain purchase gain. The amount of goodwill is definitively set within 12 months of the date of acquisition.

A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. CGUs correspond to geographical areas, generally countries, where the Group has operations.

Goodwill is allocated to a Cash Generating Unit (CGU) or a group of CGUs for the purpose of impairment testing. Goodwill is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level at which management monitors goodwill. Goodwill is tested for impairment at the Regional Business unit level as RBU are the lowest level at which the goodwill is monitored for internal management purposes. Changes in internal management reporting are applied retrospectively and comparative figures are restated.

Goodwill is not amortized and is subject to an impairment test performed at least annually or more often whenever events or circumstances indicate that the carrying amount could not be recovered. Such events and circumstances include but are not limited to:

- significant deviance of economic performance of the asset when compared with budget;
- significant worsening of the asset's economic environment;
- loss of a major client;
- significant increase in interest rates.

The impairment test is performed by comparing the carrying value of the CGU or group of CGUs to its recoverable amount at the closing date. The recoverable value of a CGU is based on the higher of its fair value less cost to sell and its value in use. The value in use is determined using the discounted cash-flows method at the closing date based on the mid-term plan of the Group.

When the recoverable value is less than its carrying amount, an impairment loss is recognized in "Other operating income and expense". The impairment loss is first recorded as an adjustment to the carrying amount of the goodwill allocated to the CGU, and the remainder of the loss, if any, is allocated pro rata the other assets of the CGU.

Impairment losses recognized on goodwill cannot subsequently be reversed.

When a CGU or part of a CGU is sold, the share of goodwill corresponding to the scope disposed of is taken into account in the carrying amount of its net assets used to determine the gain or loss realized. The share of goodwill is measured based on the relative value of the scope transferred within the CGU or group of CGUs.

Following the announcement made on February 10, 2022 (see Note 2), the four Regional Business Units are henceforth:

- Americas: former North America and the South America cluster of the former Growing Markets RBU;
- Northern Europe & APAC: former Northern Europe and the Asia Pacific cluster of the former Growing Markets RBU;
- Central Europe;
- Southern Europe.

Goodwill of the former Growing Markets RBU was reallocated to Americas for € 16 million and Northern Europe & APAC for € 245 million, based on the respective fair values of each sub-region (South America and APAC).

Carrying values of goodwill by RBU are presented as follows:

(in € million)	**December 31, 2022**	**December 31, 2021***
Americas	2 841	2 649
Northern Europe and APAC	1 480	1 169
Central Europe	250	174
Southern Europe	579	780
Other	155	333
Total	**5 305**	**5 105**

* restated to reflect the new composition of RBUs

(In € million)	**December 31, 2021**	**Change**	**Exchange differences and other**	**Reclassification to assets held for sale**	**December 31, 2022**
Gross value	6 761	259	139	-202	6 956
Impairment loss	-1 656	-85	10	80	-1 652
Carrying amount	**5 105**	**174**	**148**	**-122**	**5 305**

Over 2022, goodwill increased from € 5,105 million to € 5,305 million, mainly due to the following:

- a € 248 million goodwill related to the acquisition of Cloudreach (as described in Note 1), mainly affecting Northern Europe & APAC;
- a € -122 million reclassification to assets held for sale, including a € 202 million goodwill for Atos Italian operations and a € -80 million goodwill impairment for Unified Communications & Collaboration business, affecting respectively Southern Europe and Central Europe;
- a € 148 million foreign exchange impact coming mainly from goodwill denominated in USD.

(in € million)	**December 31, 2020**	**Change**	**Exchange differences and other**	**Reclassification to assets held for sale**	**December 31, 2021**
Gross value	6 705	256	273	-473	6 761
Impairment loss	-565	-1 325	-16	249	-1 656
Carrying amount	**6 140**	**-1 069**	**257**	**-224**	**5 105**

Over 2021, goodwill decreased from € 6,140 million to € 5,105 million, mainly due to the following:

- € 192 million impairment related to the infrastructure legacy business, mainly affecting Central Europe (€ 158 million) and, to a lesser extent, North America (€ 26 million) and Southern Europe (€ 8 million);
- € 883 million impairment related to other legacy acquisitions as a consequence of the revised mid-term plan, in North America (€ 645 million) and Central Europe (€ 238 million);
- € 224 million related to the Unified Communications & Collaboration activity, mainly affecting Central Europe goodwill, reclassified to assets held for sale and including an impairment of € 249 million based on a fair value less costs to sell; and
- the acquisitions of the year and minor adjustments on the opening statement of financial position on acquisitions of 2020, as described in Note 1.

To perform the impairment tests, the recoverable value was determined based on the fair value less costs to sell that the Group categorized within Level 3 of the fair value hierarchy, according to IFRS 13. Fair values were determined based on a multicriteria approach, including Discounted Cash Flows (DCF) and trading multiples.

Discounted Cash Flows calculations were based on the revised mid-term plan prepared by the Group for the announcement made to the market on June 14, 2022. The revised mid-term plan covers the period 2023-2026, extrapolated to 2030 and is conditional upon the Group achieving its transformation plan.

Assumptions used were the following:

- the terminal value is calculated beyond the horizon of the mid-term plan, using an estimated perpetual growth rate ranging from 2.0% to 2.1% (compared to 2.0% in 2021). Although sometimes exceeding the long-term average growth rate for the countries in which the Group operates, these rates reflect the specific perspectives of the IT sector; and
- discount rates are determined by RBU based on the Group weighted average cost of capital and adjusted to consider specific tax rates and country risks relating to each geographical area.

Discount rates used are presented below:

	2022 discount rates
Americas	11,8%
Northern Europe and APAC	13,0%
Central Europe	8,5%
Southern Europe	12,3%
Other	17,9%

Discount rates used at December 31, 2021 based on the previous geographical organization were the following:

	2021 discount rates
North America	9,5%
Northern Europe	8,3%
Central Europe	8,1%
Southern Europe	8,2%
Growing Markets	11,2%

The test is sensitive to discount rates, long-term growth rates and operating margin rates.

For information purposes, a sensitivity analysis was carried out on the enterprise values arising from the DCF method to determine the value of those parameters for which the enterprise value determined based on the multicriteria approach equals the net carrying value.

The results are presented below:

	Increase (decrease) in the discount rate (in basis points)	Increase (decrease) in the perpetual growth rate (in basis points)	Increase (decrease) in the operating margin rate (in basis points)
Americas	50	-90	-90
Northern Europe & APAC	2,160	na	-1,110
Central Europe	na	na	-390
Southern Europe	50	-80	-40
Other	na	na	-1,220

* na: significantly negative discount rates or perpertual growth rates were not considered meaningful.

8.2. Intangible assets

Intangible assets other than goodwill

An intangible asset is recognized when it is probable that future economic benefits therefrom will accrue to the company and if the cost of this asset can be reliably estimated based on reasonable and documented assumptions.

Intangible assets are recorded at their acquisition or production cost.

Intangible assets other than goodwill consist primarily of software and user rights acquired directly by the Group, software, customer relationships and technologies acquired as part of business combinations, as well as internally developed IT solutions.

To assess whether an internally generated intangible asset meets the criteria for recognition, the Group distinguishes the research phase and the development phase.

Under IAS 38, no intangible asset arising from research (or from the research phase of an internal project) shall be recognized. Such expenditure is therefore recognized as an expense when it is incurred.

Expense resulting from a development project (or from the development phase of an internal project) are recognized as intangible assets if the Group demonstrates all the following criteria:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and to use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- and its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development expenditure refers to IT solutions developed for the Group’s own use, to specific implementation projects for specific customers or innovative technical solutions made available to a group of customers. Development projects are analyzed on a case-by-case basis and the only costs which are capitalized are those attributable to the creation, production and preparation of the asset to be capable of operating in the manner intended by management. It is accounted for at cost less accumulated depreciation and any impairment losses. It is amortized on a straight-line basis over a useful life between 3 and 15 years, the standard scenario being set at 5 years.

An intangible asset related to customer relationships and backlog acquired during a business combination is recognized as customer relationships. The value of this asset is based on certain assumptions of renewal of the underlying contracts and on the discounted flows of these contracts. This asset is amortized on an estimate of its average life.

The value of the developed technology acquired is derived from an income approach based on the relief from royalty method. This method relies on (i) assumptions of the technological obsolescence curve and (ii) the theoretical royalty rate applicable to similar technologies, to determine the discounted cash flows expected to be generated by this technology over their expected remaining useful life. The developed technology is amortized on an estimate of its average life. The cost approach may also be implemented as a secondary approach to derive an indicative value for consistency purposes. This method relies on an assumption of the costs that should be engaged to reproduce a similar new item having the nearest equivalent utility as the asset being valued. On the contrary, if technology is believed to be the most important driver for the business, an Excess Earning method could also be implemented.

Intangible assets are amortized in operating margin on a straight-line basis over their expected useful life. Customer relationships, patents, technologies and trademarks acquired as part of a business combination are amortized in “Other operating income and expense” on a straight-line basis over their expected useful life, generally not exceeding 19 years.

Impairment of intangible assets other than goodwill

Impairment tests are performed on intangible assets with finite useful lives whenever there is an indication of impairment. Impairment losses on intangible assets may be reversed later if there has been a change in the estimates used to determine the recoverable value of the asset and if that amount again comes to be greater than the net carrying amount. The value of the asset after reversal of the impairment loss is capped at the carrying amount net of amortization, as if no impairment loss had been recognized in prior years.

(in €million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2021	**1,312**	**613**	**333**	**2,258**
Additions	-	44	5	49
Impact of business combinations	-	2	0	2
Intangible assets recognized as part of a Purchase Price Allocation	15	1	10	26
Capitalized costs	-	-	46	46
Disposals	-12	-85	-41	-139
Exchange differences & Others	62	21	-46	38
Reclassification to assets held for sale	-5	-2	-16	-23
December 31, 2022	**1,372**	**594**	**292**	**2,257**
Accumulated depreciation				
December 31, 2021	**-758**	**-238**	**-173**	**-1,169**
Amortization charge of the year	-2	-37	-29	-68
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-97	-33	-10	-140
Amortization of capitalized costs	-	-	-28	-28
Disposals	12	83	39	134
Impairment	-33		-35	-68
Exchange differences and others	-35	-9	35	-8
Reclassification to assets held for sale	6	1	2	9
December 31, 2022	**-907**	**-233**	**-199**	**-1,339**
Net value				
December 31, 2021	**553**	**375**	**160**	**1,089**
December 31, 2022	**465**	**361**	**92**	**919**

(in € million)	Customer relationships	Trademarks, Software and licences	Other intangible assets	Total
Gross value				
December 31, 2020	**1 330**	**688**	**526**	**2 545**
Additions		34	4	38
Impact of business combinations		1	1	2
Intangible assets recognized as part of a Purchase Price Allocation	32	9	16	57
Capitalized costs			57	57
Disposals		-82	-106	-188
Exchange differences & Others	71	14	22	107
Reclassification to assets held for sale	-121	-51	-187	-359
December 31, 2021	**1 312**	**613**	**333**	**2 258**
Accumulated depreciation				
December 31, 2020	**-665**	**-281**	**-207**	**-1 153**
Amortization charge of the year	-3	-31	-28	-63
Amortization of intangible assets recognized as part of a Purchase Price Allocation	-109	-32	-10	-151
Amortization of capitalized costs			-57	-57
Disposals		72	58	130
Impairment	-34			-34
Exchange differences and others	-31	1	-29	-59
Reclassification to assets held for sale	84	34	100	217
December 31, 2021	**-758**	**-238**	**-173**	**-1 169**
Net value				
December 31, 2020	**665**	**407**	**319**	**1 391**
December 31, 2021	**553**	**375**	**160**	**1 089**

In 2022, the amount related to the amortization of intangible assets recognized in purchase price allocation exercises decreased to € 140 million compared to € 151 million in 2021.

The € 140 million amortization charge of Purchase Price Allocation intangible assets in 2022 were mainly related to Syntel, SIS, Bull and Anthelio customer relationships. A customer relationship related to the Anthelio acquisition was impaired for € 34 million in 2022 (see Note 5).

Internally developed software was also impaired for € 35 million following a review of the software portfolio of the Group.

The gross book value of customer relationships for € 1,372 million at December 31, 2022 presented above, mainly included:

- € 548 million related to the Syntel acquisition in 2018;
- € 354 million related to the Siemens IT Solutions and Services acquisition in 2011;
- € 153 million related to the Xerox ITO acquisition in 2015;

- € 87 million related to the Anthelio acquisition in 2016;
- € 37 million in connection with the Maven Wave acquisition in 2020.

8.3. Tangible assets

Tangible assets are recorded at acquisition cost. They are depreciated on a straight-line basis over the following expected useful lives:

- buildings 20 years;
- fixtures and fittings 5 to 10 years;
- computer hardware 3 to 5 years;
- office furniture and equipment 5 to 10 years.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the income statement.

Impairment of tangible assets

Impairment tests are performed on tangible assets whenever there is an indication of impairment. Impairment losses on tangible assets may be reversed later if there has been a change in the estimates used to determine the recoverable value of the asset and if that amount again comes to be greater than the net carrying amount. The value of the asset after reversal of the impairment loss is capped at the carrying amount net of depreciation, as if no impairment loss had been recognized in prior years.

(in € million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2021	**288**	**83**	**70**	**442**
Additions	16	136	19	170
Impact of business combination	1	2	0	3
Disposals	-6	-24	-7	-36
Exchange differences and others	8	63	-20	52
Reclassification to assets held for sale	1	-58	0	-57
December 31, 2022	**309**	**202**	**62**	**573**
Accumulated depreciation				
December 31, 2021	**-151**	**127**	**3**	**-20**
Depreciation charge for the year	-23	-115	-9	-147
Disposals	0	14	1	16
Exchange differences and others	-5	-49	-6	-60
Reclassification to assets held for sale	-1	53	0	52
December 31, 2022	**-180**	**30**	**-10**	**-160**
Net value				
December 31, 2021	**138**	**211**	**73**	**421**
December 31, 2022	**129**	**233**	**52**	**414**

(in € million)	Land and buildings	IT equipments	Other tangible assets	Total
Gross value				
December 31, 2020	**316**	**258**	**110**	**682**
Additions	21	88	35	144
Impact of business combination	1	3	4	8
Disposals	-78	-239	-37	-354
Exchange differences and others	30	54	-30	54
Reclassification to assets held for sale	-2	-80	-12	-95
December 31, 2021	**288**	**83**	**70**	**442**
Accumulated depreciation				
December 31, 2020	**-164**	**-1**	**-4**	**-168**
Depreciation charge for the year	-25	-125	-14	-164
Disposals	71	231	30	332
Exchange differences and others	-7	-35	-8	-50
Impairment	-28	-18	-10	-56
Reclassification to assets held for sale	2	76	9	87
December 31, 2021	**-151**	**127**	**3**	**-20**
Net value				
December 31, 2020	**153**	**257**	**105**	**514**
December 31, 2021	**138**	**211**	**73**	**421**

Tangible assets of the Group include mainly IT equipment used in production centers, in particular datacenters and software factories. Atos policy is to rent its premises. Therefore, land and building assets include mainly the technical infrastructure of the Group datacenters.

Note 9 Leases

Existence of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration. Lease liabilities and right-of-use assets are recognized at the lease commencement date.

The Group does not recognize short term leases (less than 12 months) and leases for which the underlying asset is of a low value except when those assets are subleased to end customers. Such leases are expensed directly and future commitments to pay rents are presented as off-balance sheet commitments.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rates since implicit rates are not readily available. Those rates have been determined for all currencies of the Group by geography and by maturity. The incremental borrowing rates are calculated by taking for each currency a reference market index quotation and adding up a spread corresponding to the cost of financing that would be applied by a lender to any subsidiary of the Atos Group.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under a residual value guarantee, or changes in the assessment of whether an extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised, resulting from a decision of the Group.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentive received.

Real estate leases

The Group leases most of its offices and strategic production sites such as data centers. Terms and conditions of those lease contracts can be very heterogeneous depending on the nature of the sites and local regulations. Those leases have terms between 2 to 20 years.

The Group is applying judgment to determine the lease term for some real estate lease contracts in which it is a lessee and that include renewal or early termination options analyzing whether those sites, mainly offices and data centers, are strategic or not. In most cases, the Group retains the earliest date when the Group can exit its lease commitment without paying any significant penalty.

IT equipment and company cars

The Group leases IT equipment for its own use or to deliver its services to end customers (computers, servers). Those leases are entered for terms between 3 to 5 years.

Deferred tax treatment

Deferred tax is applied to IFRS 16 entries based on local applicable tax rates.

Right-of-use assets

(in €million)	Land and buildings	IT equipments	Cars and others	Total
Gross value				
December 31, 2021	**1,241**	**522**	**86**	**1,849**
Increase	223	285	20	528
Impact of business combination	0	-	-	0
Decrease	-216	-300	-27	-543
Exchange differences and others	8	18	-7	19
Reclassification to assets held for sale	-22	-1	-7	-30
December 31, 2022	**1,235**	**524**	**65**	**1,824**
Accumulated depreciation				
December 31, 2021	**-472**	**-258**	**-48**	**-777**
Depreciation charge for the year	-185	-167	-21	-372
Decrease	76	139	25	240
Exchange differences and others	-5	-10	0	-15
Impairment	-17	-		-17
Reclassification to assets held for sale	6	0	3	10
December 31, 2022	**-597**	**-294**	**-41**	**-932**
Net value				
December 31, 2021	**770**	**264**	**38**	**1,072**
December 31, 2022	**638**	**229**	**24**	**892**

(in €million)	Land and buildings	IT equipments	Cars and others	Total
Gross value				
December 31, 2020	**1,119**	**463**	**81**	**1,663**
Increase	295	270	27	592
Impact of business combination	-	-	0	0
Decrease	-181	-230	-21	-432
Exchange differences and others	25	22	1	48
Reclassification to assets held for sale	-16	-3	-2	-22
December 31, 2021	**1,241**	**522**	**86**	**1,849**
Accumulated depreciation				
December 31, 2020	**-314**	**-174**	**-40**	**-528**
Depreciation charge for the year	-190	-161	-25	-376
Decrease	82	100	16	197
Exchange differences and others	-12	-11	-0	-23
Impairment	-47	-12		-60
Reclassification to assets held for sale	10	1	2	12
December 31, 2021	**-472**	**-258**	**-48**	**-777**
Net value				
December 31, 2020	**805**	**289**	**41**	**1,135**
December 31, 2021	**770**	**264**	**38**	**1,072**

In 2021, right-of-use assets were impaired for € 60 million, including € 38 million in connection with the impairment test conducted on the infrastructure legacy business.

Lease liabilities

(in € million)	December 31, 2022
Maturing in one year or less	309
Maturing in 1-2 years	205
Maturing in 2-3 years	138
Maturing in 3-4 years	106
Maturing in 4-5 years	81
Maturing in more than 5 years	173
Total	**1,013**

The amounts represent future disbursements expressed after discounting.

Note 10 Investments accounted for under the equity method

Investments over which the parent company directly or indirectly exercises significant influence, without however exercising full or joint control, are accounted for under the equity method. This method consists in recording the Group share in profit for the year of the investee in the consolidated income statement as part of "Share of net profit (loss) of equity-accounted investments".

The Group share in the net assets of the investee is recorded under "Equity-accounted investments" in the consolidated statement of financial position. Goodwill arising on the acquisition of equity-accounted investment is included in the carrying amount of the investment.

The Group decided to classify all gains or losses on the disposal of investments in associates in "Other operating income and expense".

(in € million)	December 31, 2021	Disposal	Net results	Exchange differences and other	December 31, 2022
Miscellaneous	4		4	-0	8
TOTAL	**4**	**-**	**4**	**-0**	**8**

Note 11 Pension plans and other long-term benefits

Employee benefits are granted by the Group through defined contribution and defined benefit plans. Costs relating to defined contribution plans are recognized in the income statement based on contributions paid or due in respect of the accounting period when the related services have been provided by beneficiaries.

The valuation of Group defined benefit obligations is based on a single actuarial method known as the "projected unit credit method". Under this method, the amount of future benefit payments to employees is determined on the basis of actuarial assumptions (change in wages, retirement age, probability of payment, turnover rate and mortality rate). These future payments are reduced to their present value using a discount rate determined according to the rates of investment-grade corporate bonds of a maturity equivalent to that of the company's corporate liabilities. The actuarial assumptions are periodically updated, with the support of the external actuaries used by the Group.

Plan assets usually held in separate legal entities are measured at their fair value, determined at closing.

The value of plan assets is determined based on valuations provided by the external custodians of pension funds and following complementary investigations carried-out when appropriate.

From one accounting period to the other, any difference between the projected and actual pension obligation and their related assets is combined at each benefit plan's level to form actuarial differences. Those differences may result either from changes in actuarial assumptions used, or from experience adjustments generated by actual developments differing, in the accounting period, from assumptions determined at the end of the previous accounting period. All actuarial gains and losses on post-employment benefit plans generated in the period are recognized in "other comprehensive income".

Benefit plan costs are recognized in the Group's operating income, except for interest costs on obligations, net of expected returns on plans assets, which are recognized in "other financial income and expense".

After the reclassification to liabilities related to assets held for sale (see Note 1), the total amount recognized in the Group statement of financial position in respect of pension plans was € 579 million at December 31, 2022 compared to € 647 million at December 31, 2021. The total amount recognized for other long-term employee benefits was € 32 million at December 31, 2022 compared to € 36 million at December 31, 2021.

The amounts recognized in the balance sheet consisted of:

(in € million)	December 31, 2022	December 31, 2021
Prepaid pension asset	28	261
Accrued liability – pension plans [a]	-607	-908
Total Pension plan	**-579**	**-647**
Accrued liability – other long-term employee benefits [b]	-32	-36
Total accrued liability [a] + [b]	**-639**	**-944**

Pension plans

The Group pension obligations are located predominantly in the United Kingdom (59% of Group total obligations), Germany (24%), Switzerland (7%) and France (6%).

Characteristics of significant plans and associated risks

In the United Kingdom, these obligations are generated by legacy defined benefit plans, the majority of which have been closed to further accrual or new entrants. Plans are final pay plans and are subject to the UK regulatory framework where funding requirements are determined by an independent actuary based on a discount rate reflecting the plan expected return on investments. Recovery periods are agreed between plans trustees and the sponsoring companies and may run up to 20 years if appropriate securities are provided by sponsors. Most of the plans are governed by a sole independent trustee.

The current asset allocation across United Kingdom plans is 87% fixed income, 13% equities and other assets and may vary depending on the particular profile of each plan. Interest rate and inflation exposures are cautiously managed through investment in Gilts, Indexed-Linked and interest rate swaps. The fixed income allocation comprises a significant exposure to investment grade credits and the equity allocation is well diversified geographically.

Plans do not expose the Group to any specific risk that are unusual for these types of benefit plans. Typical risks include increase in inflation, longevity and a decrease in discount rates and adverse investment returns.

In Germany, most of the liabilities relate to pension entitlements that were transferred to the Group with the acquisition of SIS in 2011. Plans cover multiple legal entities in Germany and are subject to the German regulatory framework, which has no funding requirements but does include compulsory insolvency insurance (PSV). Plans are partially funded however, using a Contractual Trust Agreement (CTA). The CTA is governed by a professional independent third party. The investment strategy is set by the Investment Committee composed of employer representatives. The assets allocation related to the largest German schemes is 68% fixed income, 14% return seeking assets and other assets and 18% property. The assets allocation related to the other scheme is more in line with the lower interest rate sensitivities of the schemes and are predominantly invested in investment grade credits and, to a lesser extent, in balanced funds and European high yield.

In Switzerland, the obligations are generated by legacy defined benefit plans, exceeding the minimum benefit requirements under Swiss law (BVG). Pension contributions are paid by both the employees and the employer and are calculated as a percentage of the covered salary. The rate of contribution depends on the age of the employee. Upon retirement, the employees' individual savings capital is multiplied by the conversion rate, as defined by the pension fund regulations, and can be paid out as either a lifetime annuity or a lump-sum payment. In the event of disability, the pension plan pays a disability pension until the ordinary retirement age.

Atos recognized all actuarial gains and losses and asset ceiling effects generated in the period in "Other comprehensive income".

Events in 2021

In the UK, as part of the work carried out by the Trustee of the 2019 Scheme in preparing to implement Guaranteed Minimum Pension ("GMP") equalization, some discrepancies were identified between the scheme's historical administration practices in relation to the treatment of GMP and the approach strictly required under the rules of the 2019 Scheme (and predecessor legacy schemes). Discussions have been ongoing between the Trustee and Atos to agree the process for making adjustments to members' benefits as a result of these historical practices. The impact of adjusting members' future pension payments to correct the issues identified and the impact of past over-payments which the Trustee will seek to recoup from members led to a reduction in obligation (past service credits) of € 23 million recognized as other operating income.

In parallel, the Government in the UK published in February 2021, its response to its consultation on the approach public sector pension schemes will take to address discrimination issues identified as part of the McCloud judgement arising from benefit changes introduced in 2015. Atos UK Ltd is currently considering its own approach to addressing potential discrimination issues in its scheme as a result of the changes it introduced in April 2015 to mirror public sector benefits. Even if any decision on how to proceed has not been finalized yet, the expected adjustments to affected members' benefits, based on initial calculations carried out, led to an increase in the obligation (past service costs) of € 6 million recognized as other operating expense.

The Corporate bond interest rate markets for all major zone/countries remained volatile this year but spot rates as at December 31, 2021 significantly raised compared to those for the previous financial year. This led to a decrease in the obligation of about € 175 million combined with very positive returns on equity markets. The resulting decrease in the net pension liability is recognized through other comprehensive income.

The IFRS Interpretation Committee (IFRIC) decided to change the rules for attributing benefits to periods of service for defined benefit plans that meet the following conditions:

- Employees are entitled to a lump sum benefit payment when they reach the retirement age, provided they are employed by the entity at that date;
- The amount of the retirement benefit to which an employee is entitled depends on the length of employee service with the entity before the retirement age and is capped at a specified number of consecutive years of service.

For these plans, benefit rights are no longer spread over the entire period from the entry date in the entity to the retirement date but rather over the period of service preceding the retirement age for which the capped benefit rights are achieved.

Two retirement indemnity plans (France and Greece) are in the scope of the IFRIC decision. The impact resulted in a decrease in the employer's obligations for a total amount of € 8 million recognized through other comprehensive income.

Events in 2022

In the UK, 230 active employees were readmitted, on 1 September 2022, to the Civil Service Pension Arrangements ("CSPA") for future service. Employees' past service benefits in relation to service up to August 31, 2022 remained with the 2019 Scheme but employees will subsequently be offered the option of transferring these benefits into the CSPA (planned for 2023). Therefore future service accrual from September 1, 2022 had no impact on the obligations for these members but did cause a reduction in operating costs for the remainder of the year. In addition, a bulk transfer and a closure exercise for six former employees in total, resulted in a reduction in the operating costs for part of the year. The total reduction in operating costs regarding these events amounted to €3 million, recognized for half as operating margin and for half as financial result.

In France, the Syntec federation signed with the main unions the so-called modernization amendment to the national collective bargaining agreement which clarifies, among other things, the pay items that should be included when calculating the lump sum payments for retiring employees. This clarification led to an increase in the obligations in respect of retirement indemnities for an amount of €6 million, recognized as other operating expense.

Components of net periodic cost

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Service cost (net of employees contributions)	47	50
Past service cost, Settlements	4	-17
Administration costs	2	2
Operating expense	**53**	**36**
Interest cost	99	69
Interest income	-83	-60
Financial expense	**16**	**10**
Net periodic pension cost - Total expense (profit)	**68**	**46**

Change in defined benefit obligation

(in €million)	December 31, 2022	December 31, 2021
Total Defined Benefit Obligation at January 1	**4 263**	**5 102**
Exchange rate impact	-56	229
Service cost (net of employees contributions)	47	50
Interest cost	99	69
Past service cost, Settlements	4	-17
Business combinations (disposals)	6	1
Employees contributions	6	6
Benefits paid	-204	-211
Actuarial (gain) loss - change in financial assumptions	-1 432	-175
Actuarial (gain) loss - change in demographic assumptions	-10	-30
Actuarial (gain) loss - experience results	115	-11
Reclassification to the liabilities held for sale	174	-752
Defined benefit obligation at December 31	**3 011**	**4 263**

Between December 31, 2021 and December 31, 2022, long-term government bond rates as well as credit spreads have increased significantly across the main markets. The increase in nominal rates was mainly due to a sharp increase in inflation expectations combined with a change in central banks policy to limit inflation.

As a result, discount rates recorded increases from +2.85% in the UK to +1.95% in Switzerland. The increase in the discount rate recorded in the Eurozone (long-term rates) and in the US was at +2.70% and +2.4% respectively. These increases were due predominantly to long-term government bond rates variation and to a lesser extent to a widening of credit spreads.

Overall, the change in financial assumptions to reflect market conditions led to a decrease of 34% in the Group pension obligations (1.4 billion euros).

The weighted average duration of the liability is about 14 years.

Change in plan assets

(in € million)	December 31, 2022	December 31, 2021
Fair value of plan assets at January 1	**3 616**	**3 898**
Exchange rate impact	-58	228
Actual return on plan assets	-1 081	195
Employer contributions	19	17
Benefits paid by the funds	-165	-170
Business combinations (disposals)	6	0
Employees contributions	6	6
Administration costs	-9	-3
Reclassification to the liabilities held for sale	106	-555
Fair value of plan assets at December 31	**2 440**	**3 616**

As the interest rate and inflation exposures were cautiously managed with hedging instruments (long-dated government bonds and swaps), the decrease in the pension obligations due the increase in discount rates led to a decrease in the value of the fund assets.

Reconciliation of prepaid (accrued) benefit cost

(in €million)	December 31, 2022	December 31, 2021
Funded status	-571	-647
Asset ceiling limitations recognized in Other Comprehensive Income	-8	0
Prepaid (accrued) pension cost	**-579**	**-647**

Reconciliation of the net amount recognized (all plans)

(in € million)	December 31, 2022	December 31, 2021
Net amount recognized at beginning of year	**-647**	**-1 204**
Net periodic pension cost	-68	-46
Benefits paid by employer	39	41
Employer contributions	19	17
Business combinations (disposals)	0	-1
Asset ceiling limitations recognized in Other Comprehensive Income	-8	0
Amounts recognized in Other Comprehensive Income	157	349
Other (exchange rate)	-1	-1
Reclassification to liabilities held for sale	-69	197
Net amount recognized at end of year	**-579**	**-647**

The development in the main countries was as follows:

(in € million)	UK schemes	German schemes	Other schemes
Net amount recognized at beginning of year	**192**	**-532**	**-307**
Net periodic pension cost	-7	-20	-42
Benefits paid by employer & employer contributions	10	8	39
Amounts recognized in Other Comprehensive Income	-172	290	30
Other (exchange rate and reclassification)	-3	-3	4
Reclassification to the liabilities held for sale		-78	9
Net amount recognized at end of year	**21**	**-334**	**-266**

(in € million)	UK schemes	German schemes	Other schemes
Defined benefit obligation at December 31st	-1 764	-724	-524
Fair value of plan assets at December 31st	1 784	390	266
Asset ceiling limitation at December 31st	-	-	-8
Net amount recognized at end of year	**21**	**-334**	**-266**

Actuarial assumptions

Group obligations are valued by independent actuaries based on assumptions that are periodically updated.

These assumptions are set out in the table below:

	United Kingdom		Eurozone		Switzerland		USA	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Discount rate	4.85%	2.0%	3.8% ~ 4.0%	1.0% ~ 1.3%	2.25%	0.3%	5.0%	2.6%
Salary increase	2.9%	2.5%	2.5% ~ 2.95%	2.0% ~ 2.2%	2.25%	1.0%	na	na
Inflation assumption	RPI: 3.20% CPI: 2.55%	RPI: 3.30% CPI: 2.60%	2.2%	1.45%	na	na	na	na

The inflation assumption is used to estimate the impact of indexation of pensions in payment or salary inflation based on the various rules of each plan.

Sensitivity of the defined benefit obligations of the significant plans to the discount rate and inflation rate assumptions is as follows:

	Discount rate +25bp	Inflation rate +25bp
United Kingdom main pension plans	-3.0%	+2.1%
German main pension plans	-3.8%	+0.7%

These sensitivities are based on calculations made by independent actuaries and do not include cross effects of the various assumptions; they do however include effects that the inflation assumption would have on salary increase assumptions for the United Kingdom.

Plan assets

Plan assets were invested as follows:

	December 31, 2022	December 31, 2021
Equity	13%	13%
Bonds/Interest Rate Swaps	68%	71%
Real Estate	13%	9%
Cash and Cash equivalent	2%	3%
Other	4%	4%

Of these assets, 82% are valued on market value, 15% relate to property, private equity and infrastructure investments where valuations are based on the information provided by the investment managers, and 3% relate to insurance contracts.

A significant part of the Bonds and Interest Rate Swaps are part of the interest rate hedging program operated by the Atos United Kingdom pension plans, which aims at hedging a significant portion of funding liabilities. None of the plans are hedged for longevity risks.

Atos securities or assets used by the Group are not material.

Prepaid pension situations on statement of financial position

The net asset of € 28 million mostly related to the Atos 2019 Pension Scheme in the United Kingdom and was supported by appropriate refund expectations according to IFRIC 14.

Net pension impact on income statement

The net impact of defined benefit pension plans on Group financial statements can be summarized as follows:

(in € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Operating margin	-49	-52
Other operating income and expenses	-4	16
Financial result	-16	-10
Total (expense) profit	**-68**	**-46**

Other long-term employee benefits

Net liabilities related to other long-term employee benefits were € 36 million at December 31, 2021. They decreased to € 32 million at December 31, 2022 mainly due to the reclassification of some liabilities in respect of benefits identified as short-term benefits.

Note 12 Provisions

Provisions are determined by discounting the expected future cash flows to extinguish the liability. Provisions are recognized when:

- the Group has a present legal, regulatory, contractual or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- the amount has been reliably quantified.

When the unavoidable costs of meeting the obligations under a customer or a supplier contract exceed the economic benefits expected to be received under it, the present obligation under the contract is recognized and measured as a provision classified as project commitments. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The costs of fulfilling a contract comprise the costs that relate directly to the contract, both incremental costs and allocation of other direct costs.

(in € million)	December 31, 2021	Business combinations	Addition	Release used	Release unused	Other (*)	Reclassification to liabilities held for sale	December 31, 2022	Current	Non- current
Reorganization	169	-	93	-86	-63	-1	3	116	75	41
Rationalization	7	0	1	-1	-1	0	-0	7	1	6
Project commitments	584	-	173	-94	-57	-16	-27	563	141	422
Litigations and contingencies	34	11	18	(5)	(15)	5	6	55	29	26
Total provisions	**794**	**11**	**286**	**-186**	**-136**	**-12**	**-17**	**741**	**245**	**496**

(*) Other movements mainly consist of currency translation adjustments

(in € million)	December 31, 2020	Business combinations	Addition	Release used	Release unused	Other (*)	Reclassification to liabilities held for sale	December 31, 2021	Current	Non-current
Reorganization	79	-	145	-41	-6	0	-8	169	27	142
Rationalization	9	0	3	-1	-3	0	-1	7	2	6
Project commitments	23	1	578	-19	-4	6	-0	584	92	491
Litigations and contingencies	54	0	12	-5	-9	0	-18	34	16	18
Total provisions	**165**	**1**	**737**	**-66**	**-23**	**7**	**-27**	**794**	**137**	**657**

(*) Other movements mainly consist of currency translation adjustments

Reorganization

Additions mainly included a € 62 million provision related to the new German restructuring plan announced at the end of December 2022 and that was to supersede the previous plan closed before completion at the end of the year. The closing of this plan resulted in a € 60 million release for unused provision.

Project commitments

Increase in project commitment provisions comprised the expected future cash out arising from the exit from certain underperforming contracts for € 31 million, additional losses on two major loss making contracts in Northern Europe for € 71 million.

Unused provisions mostly related to a risk assessed at the end of 2021 on customer contracts arising from a significant increase in a vendor cost, the contract of which was eventually successfully renegotiated.

Litigations and contingencies

Contingency provisions amounted to € 50 million as at December 31, 2022. They were composed of a number of long-term litigation issues, such as non-income tax contingencies and social disputes, guarantees given on disposals and other disputes with clients and suppliers, notably in South America.

Note 13 Fair value and characteristics of financial instruments

Derivative financial instruments

Derivative instruments are recognized as financial assets or liabilities at their fair value. Any change in the fair value of these derivatives is recorded in the income statement as a financial income or expense, except when they are eligible for hedge accounting, whereupon:

- for fair value hedge of existing assets or liabilities, the hedged portion of an instrument is reported at fair value on the statement of financial position. Any change in fair value is recorded as an expense or an income in the income statement, where it is offset simultaneously by changes in the fair value of the designated hedged elements except for any ineffectiveness;

- for cash flow hedge, the effective portion of the change in fair value of the hedging instrument is directly recognized in shareholders' equity as "items recognized directly in equity". The change in value of the ineffective portion is recognized in "Other financial income and expense". Amounts deferred in equity are taken to the income statement at the same time as the related hedged cash flow.

The Group uses forward foreign exchange contracts to hedge the variability of cash flows arising from changes in foreign exchanges rates on sales and purchases in foreign currencies. The Group designates only the spot element of the forward exchange contract as the hedging instrument in cash flow hedging relationships for highly probable transactions. Under IFRS 9, the Group has elected to separately account for the forward points as a cost of hedging. Consequently, the changes in forward points are recognized in other comprehensive income and accumulated in a cost of hedging reserve as a separate component within equity and accounted for subsequently in the income statement as gain and losses accumulated in the cash flow hedge reserve as part of the underlying covered transaction.

	December 31, 2022		December 31, 2021	
(in € million)	Assets	Liabilities	Assets	Liabilities
Forward foreign exchange contracts	18	-11	14	-4
Forward interest rate contracts	-	-	-	0
Analysed as :				
Non-current	-	-	-	0
Current	18	-11	14	-4

The fair value of financial instruments is provided by independent counterparties.

Concomitantly with the disposal of its residual interest in Worldline, Atos entered into a derivative transaction to hedge its residual exposure to Worldline share price related to the outstanding exchangeable bonds due 2024, which were issued in 2019 (see Note 6.4).

The premium paid on the derivative transaction was recognized on the balance sheet as a derivative asset and subsequently remeasured in accordance with IFRS 9 at fair value through the income statement.

In the consolidated statement of financial position at December 31, 2022, the value of the derivative asset was € 13 million and offset the value of the derivative liability corresponding to the derivative component embedded in the bond exchangeable in Worldline shares. Those are reported as non-current derivatives in the consolidated statement of financial position.

Interest rate risk

Bank loans, commercial papers and the term loan arranged at floating rates amounted to € 979 million in 2021 and € 1,930 million in 2022, exposing the Group to cash flow interest rate risk.

The Group may mitigate its interest rate exposure using interest rates swap contracts with financial institutions in order to fix the rate of a portion of the floating-rate financial debt.

Exposure to interest rate risk

The table below presents the interest rate risk exposure of the Group. The exposure at floating rate after hedging risk management is approximately € 1,300 million as at December 31, 2022. A 1.0% decrease in short-term reference rates in Euro would reduce income from interest by € 13 million in theory assuming the structure (cash/floating debt/hedges) remains stable for the full period of the year.

	Exposure		
(in € million)	**Less than 1 year**	**More than 1 year**	**Total**
Bank loans & NEU CP	-1,930	-	-1,930
Other	-41	-	-41
Total liabilities	**-1,971**	**-**	**-1,971**
Cash and cash equivalents	3,331	-	3,331
Overdrafts	-141	-	-141
Total net cash and cash equivalents (*)	**3,190**	**-**	**3,190**
Short-term financial assets/liabilities	**82**	**-**	**82**
Net position before risk management	1,300	-	1,300
Net position after risk management	**1,300**	**-**	**1,300**
Bonds	-300	-1,900	-2,200
Optional exchangeable bond	-	-500	-500
NEU MTN at fixed rate	-	-50	-50
Total net debt/cash after risk management	**1,000**	**-2,450**	**-1,450**

(*) Overnight deposits (deposit certificates) and money market securities and overdrafts

Liquidity risk

On July 29, 2022, Atos announced a new financing structure to support the transformation plan as follows:

- a € 1.5 billion term loan ("term loan A") with an initial duration of 18 months and two extension periods of 6 months each;
- a € 0.3 billion bridge loan ("term loan B") with an initial duration of 12 months and one extension period of 6 months. Its purpose is to pre-finance assets disposals;
- the amount of the existing revolving credit facility (signed in 2018) was reduced from €2.4 billion to € 0.9 billion.

The leverage ratio applicable to the revolving credit facility has been revised from 2.5 to 3.75. This ratio also applies to Term Loan A and Term Loan B.
The calculation at December 31, 2022 presented here below is adjusted for IFRS 16 impacts for an amount of € 405 million.

Nature of ratios subject to covenant	Covenant	12 months ended December 31, 2022	12 months ended December 31, 2021
Leverage ratio (net debt/OMDA)*	not greater than 3.75	2.36	1.74

(*) OMDA: Operating margin before non cash items

On May 9, 2022, the € 700 million bond issued in November 2018 bearing a coupon rate of 0.750% was fully repaid.

On November 4, 2021, Atos announced the successful placement of its inaugural € 800 million sustainability-linked bond with an 8-year maturity and a 1.0% coupon.

The coupon of the last 3 years will be unchanged if Atos achieves the following Sustainability Performance Target (SPT): reduction in 2025 of Atos annual GreenHouse Gas CO2 emissions (Scopes 1, 2 & 3) by 50% compared to 2019. In case the SPT is not met, the last three coupons shall be increased by 0.175%. The proceeds of the bond will be used for general corporate purposes.

On February 4, 2020, Atos sold part of its retained interest by selling ca. 23.9 million Worldline shares through an Accelerated Bookbuilding Offering on the market for € 1,402 million, net of disposal costs and tax.

On October 30, 2019, Atos announced the disposal of Worldline share capital (€ 780 million through a private placement by way of an Accelerated Book building Offering (ABO)) and the issuance of € 500 million zero coupon bonds exchangeable into Worldline shares with a maturity of 5 years and an exchange premium of 35%. Total gross proceeds for Atos was € 1,280 million for the combined transactions.

On November 5, 2018, Atos announced the successful placement of its € 1.8 billion bond issue. The € 1.8 billion triple tranche-bond issue consists of three tranches:

- € 700 million notes with a 3.5-year maturity and 0.75% coupon (fully repaid in May 2022);
- € 750 million notes with a 6.5-year maturity and 1.75% coupon;
- € 350 million notes with a 10-year maturity and 2.50% coupon.

There are no financial covenants attached to this bond. The rating agency Standard and Poor's assigned a rating of BBB+ to the three tranches, subsequently to the rating of Atos at the time of issuance of the bond. On December 17, 2020, Standard and Poor's reaffirmed BBB+ / Stable rating for Atos. On September 20, 2021, Standard and Poor's downgraded Atos rating to BBB- / outlook stable, and further downgraded it to BB / Outlook negative on July 13, 2022.

On October 11, 2018, Atos signed with a number of major financial institutions a five-year € 2.4 billion revolving credit facility (the Facility) maturing in November 2023 with an option for Atos to request the extension until November 6, 2025, in two times. Atos exercised the second option on 2020 to extend the maturity of the Facility until November 6, 2025. The Facility is available for general corporate purposes and replaced the previous € 1.8 billion facility signed in November 2014.

On May 4, 2018, Atos implemented a Negotiable European Medium-Term Note program (NEU MTN) in order to optimize financial expense and improve Group liquidity management, for an initial maximum amount of € 600 million.

On June 2, 2017, Atos implemented a Negotiable European Commercial Paper program (NEU CP) in order to optimize financial expense and improve Group liquidity management, for an initial maximum amount of € 900 million raised to € 1.8 billion in October 2018. On December 10, 2019 the maximum amount of € 1.8 billion was increased to € 2.4 billion.

On October 29, 2016, Atos issued a Euro private placement bond of € 300 million with a seven-year maturity and with a 1.444% fixed interest rate (unrated). There are no financial covenants attached to this bond.

Currency exchange risk

Atos operates in 71 countries. However, in most cases, Atos invoices in the country where the Group renders the services, thus limiting the foreign exchange risk. Where this is not the case, the Group generally uses hedging instruments such as forward contracts or foreign currency swaps to minimize the risk.

The carrying amount of the Group foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2022	2021	2022	2021	2022	2021
(in € million)	EUR		GBP		USD	
Assets	305	157	8	57	417	237
Liabilities	479	39	6	46	242	122
Foreign exchange exposure before hedging	-174	118	2	11	175	114
Hedged amounts	-649	-455	-122	-71	-111	-92
Foreign exchange impact after hedging	**-823**	**-337**	**-120**	**-60**	**64**	**22**

Foreign currency sensitivity analysis

The entities with functional currencies in EUR, GBP and USD are mainly exposed to foreign exchange risk.

The following table details the Group sensitivity to a 5% increase and decrease of the sensitive currency against the relevant functional currency of each subsidiary. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% increase in foreign currency rates.

	2022	2021	2022	2021	2022	2021
(in € million)	EUR		GBP		USD	
Income Statement	-41	-17	-6	-3	3	1

Hedge accounting

There is no material deviation between the maturity of the financial instruments and the period in which the cash flows are expected to occur.

As at December 31, 2022, derivatives were all allocated to the hedging of transactional risks (foreign exchange currency risks). From an accounting perspective, most of the derivatives were considered as cash flow hedge instruments.

The breakdown of the designation of the instruments by currency is as follows:

(in € million)	December 31, 2022		December 31, 2021	
Instruments	**Fair value**	**Notional**	**Fair value**	**Notional**
Cash flow hedge				
Foreign exchange				
Forward contracts CHF	0	-7	0	-17
Forward contracts CNY	0	7	0	4
Forward contracts GBP	0	-5	0	0
Forward contracts INR	-5	183	6	138
Forward contracts MAD	0	27	0	11
Forward contracts MXN	3	31	0	24
Forward contracts MYR	0	1	0	1
Forward contracts PHP	-1	29	0	25
Forward contracts PLN	7	176	-3	119
Forward contracts RON	3	92	0	53
Forward contracts RUB	0	0	0	10
Forward contracts USD	-1	243	7	182

(in € million)	December 31, 2022		December 31, 2021	
Instruments	**Fair value**	**Notional**	**Fair value**	**Notional**
Trading and fair value hedge				
Foreign exchange				
Forward contracts CHF	0	-5	0	-10
Forward contracts GBP	0	-2	0	-2
Forward contracts INR	0	17	0	3
Forward contracts MAD	0	7	0	20
Forward contracts PHP	0	1	0	1
Forward contracts PLN	1	32	-1	39
Forward contracts RON	0	2	0	18
Forward contracts USD	1	47	0	0

The net amount of the cash flow hedge reserve at December 31, 2022 was € 4 million (net of tax), with a variation of € -3 million (net of tax) over the year.

Note 14 Shareholders' equity

14.1. Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (attributable to owners of the parent) by the weighted average number of ordinary shares outstanding during the period. Treasury shares deducted from consolidated equity are not considered in the calculation of basic or diluted earnings (loss) per share.

Diluted earnings (loss) per share is calculated by dividing the net income (loss) attributable to owners of the parent, adjusted for the financial cost net of tax of dilutive debt instruments, by the weighted average number of ordinary shares outstanding during the period, plus the average number of shares which, according to the share buyback method, would have been outstanding had all the issued dilutive instruments been converted (stock options and convertible debt).

The dilutive impact of each convertible instrument is determined in order to maximize the dilution of basic earnings per share. The dilutive impact of stock options is assessed based on the average price of Atos shares over the period.

(in € million and shares)	**12 months ended December 31, 2022**	**12 months ended December 31, 2021**
Net income (loss) – Attributable to owners of the parent [a]	**-1 012**	**-2 962**
Impact of dilutive instruments	-	-
Net income (loss) restated of dilutive instruments - Attributable to owners of the parent [b]	**-1 012**	**-2 962**
Average number of shares outstanding [c]	110 641 457	109 581 755
Impact of dilutive instruments [d]	-	-
Diluted average number of shares [e]=[c]+[d]	110 641 457	109 581 755

(in €)		
Basic Earning (loss) per Share [a] / [c]	**- 9,14**	**-27,03**
Diluted Earning (loss) per Share [b] / [e]	**- 9,14**	**-27,03**

No significant share transactions occurred subsequently to the 2022 closing that could have a dilutive impact on earnings (loss) per share calculation.

14.2. Equity attributable to the owners of the parent

Treasury shares

Atos shares held by the parent company are recorded at their acquired cost as a deduction from consolidated shareholders' equity. In the event of a disposal, the gain or loss and the related tax impacts are recorded as a change in consolidated shareholders' equity.

Capital increase

In 2022, Atos SE increased its share capital by incorporating additional paid-in capital and common stock for € 0.7 million related to the issuance of 221,120 new shares.

As at December 31, 2022, Atos SE issued share capital amounted to € 111 million, divided into 110,951,542 fully paid-up common stock of € 1.00 par value each.

14.3. Non-controlling interests

Non-controlling interests purchase commitments

The Group can take commitments to repurchase the non-controlling interests of shareholders of certain subsidiaries. The strike price of these put options may be set or determined according to a predefined calculation formula, and the options may be exercised at any time or on a specific date.

The Group records a financial liability at the present value of the strike price in respect of the put options granted to holders of non-controlling interests in the entities concerned. The offsetting entry for this financial liability differs depending on whether the non-controlling shareholders have maintained present access to the economic benefits of the entity. In the case of present access to the entity's economic benefits, non-controlling interests are maintained in the statement of financial position and the liability is recognized against equity attributable to owners of the parent. Where access to the entity's economic benefits is no longer available by virtue of the put option, the corresponding non-controlling interests are derecognized.

The difference between the liability representing the commitment to repurchase the non-controlling interests and the carrying amount of derecognized non-controlling interests is recorded as a deduction from equity attributable to owners of the parent. Subsequent changes in the value of the commitment are recorded by an adjustment to equity attributable to owners of the parent.

(in € million)	**December 31, 2021**	**Net Income**	**Dividends Paid**	**Scope changes**	**Other**	**December 31, 2022**
Miscellaneous	6	0	-2		3	*7*
Total	**6**	**0**	**-2**	**-**	**3**	**7**

(in € million)	**December 31, 2020**	**Net Income**	**Dividends Paid**	**Scope changes**	**Other**	**December 31, 2021**
Miscellaneous	10	3	-3	0	-4	6
Total	**10**	**3**	**-3**	**0**	**-4**	**6**

Since the loss of control of Worldline on May 2019, non-controlling interests are no longer significant for the Group.

Note 15 Off-balance sheet commitments

15.1. Contractual commitments

The table below illustrates the minimum future payments under firm obligations and commitments over the coming years:

(in € million)	December 31, 2022	Maturing Up to 1 year	Maturing 1 to 5 years	Maturing Over 5 years	December 31, 2021
Leases of low value assets and short term leases	18	11	8	-	31
Non-cancellable purchase obligations*	476	149	327	0	470
of which > 5 years	116	32	84	0	238
Total commitments given	**495**	**159**	**335**	**0**	**501**
Financial commitments received (syndicated loans)**	2 020	300	1 720	-	2 320
Total commitments received	**2 020**	**300**	**1 720**	**-**	**2 320**

** of which € 31 million related to the Unified Communications & Collaboration activity reclassified to assets held for sale*

*** Maturities are indicated before extension options*

Financial commitments received referred to the non-utilized parts of the Term Loan A, Term Loan B and revolving credit facility (see Note 13).

15.2. Commercial commitments

(in € million)	December 31, 2022	December 31, 2021
Bank guarantees	**357**	**372**
- Operational - Performance	232	223
- Operational - Bid	7	9
- Operational - Advance Payment	83	116
- Financial or Other	35	24
Parental guarantees	**5 767**	**5 084**
- Operational - Performance	5 654	4 991
- Financial or Other	113	93
Pledges	**5**	**6**
Total	**6 129**	**5 462**

For various large long-term contracts performed by its subsidiaries, the Group provides performance guarantees to its clients. These guarantees amounted to € 5,654 million as of December 31, 2022, compared with € 4,991 million at the end of December 2021. The € 663 million variation compared to last year was mainly due to the issuance of € 500 million parental guarantees by Atos SE to support the obligations of two subsidiaries in the delivery of services in connection with two major contracts signed in December 2022 for a client based in Switzerland, and to a lesser extent to some guarantees provided to the benefit of customers in France and Denmark.

In addition, in relation to the multi-currency revolving credit facility with a final maturity date on November 6, 2025, Atos SE issued a parental guarantee for the benefit of the consortium of banks represented by BNP Paribas in order to guarantee up to € 660 million (unchanged amount) the obligations of its two subsidiaries: Atos Telco Services B.V. and Atos International B.V.

In connection with the Cognizant/TriZetto litigation (see Note 16), the Board of Directors of Atos SE approved on March 25, 2021 indemnity agreements benefiting insurance companies which syndicated the supersedeas bond for a total amount of $570,710,384, provided for the appeal of the case and approved by the U.S. District Court for the Southern District of New York.

In the framework of the Atos pension schemes rationalization plan in the UK aiming to a more efficient structure, the Board of Directors of Atos SE, on July 22, 2018, gave consent to the grant of a parental guarantee to the Atos Pension Schemes Limited as trustee of the new Atos UK 2019 Pension Scheme set up on November 1, 2019. Under this guarantee, Atos SE guarantees the obligations of the sponsoring employers vis-à-vis the pension scheme. On December 22, 2020, the guarantee has been confirmed and extended to take into consideration the merger of the Atos 2011 Pension Trust into the Atos UK 2019 Pension Scheme and the transfer of the related liabilities. The new total estimated amount of the guarantee was £ 446 million (€ 506 million).

Note 16 Litigations

The Group is regularly involved in various claims and legal proceedings arising in the ordinary course of business. While the Group does not expect that the ultimate resolution of any existing claims and proceedings (other than the specific matters described below, if decided adversely), individually or in the aggregate, will have a material adverse effect on its financial position, an unfavorable outcome in some or all of these proceedings could have a material adverse impact on results of operations or cash flows for a particular period. This assessment is based on the current understanding of relevant facts and circumstances. As such, the Group view of these matters is subject to inherent uncertainties and may change in the future.

Moreover, since the Group includes a great many entities located in other countries, it is regularly audited by tax authorities. Several audits and tax-related proceedings or disputes have been initiated or are currently being conducted by those authorities or in the courts, but none are expected to give rise to or has given rise to material tax expense that could have a significant impact on the financial statements as the Group considers that it has sound means of defense and that it employs the legal procedures available to it to prevent any unfavorable outcome.

TriZetto

In 2015, Syntel initiated a lawsuit against the TriZetto Group and Cognizant Technology Solutions, stating claims for breach of contract, intentional interference with contractual relations and misappropriation of confidential information. In response to the complaint, TriZetto and Cognizant asserted various counterclaims, including claims against Syntel for copyright infringement and trade secret misappropriation.

On October 27, 2020, a jury in the U.S. District Court for the Southern District of New York found Syntel, which was acquired by Atos in 2018, liable for trade secret misappropriation and copyright infringement and specified approximately $ 855 million in damages in favor of Cognizant and TriZetto, of which $ 570 million of punitive damages.

On April 20, 2021, the United States District Court for the Southern District of New York granted in part the post-trial motion filed by Syntel. The Court reduced the jury's $ 855 million damages award to $ 570 million and denied Cognizant and TriZetto's request for an additional $ 75 million in pre-judgment interest.

In its decision, the Court held that sufficient evidence existed to support the jury's verdict of trade secret misappropriation and that the jury's award of $ 285 million in compensatory damages was not contrary to law. However, the Court found that the jury's $ 570 million punitive damages award was excessive and should be reduced to $ 285 million. Trizetto agreed to this reduction. The Court also issued an injunction prohibiting future use by Syntel of the specific trade secrets at issue in the trial.

While the Company supports the Court's decision to significantly reduce the punitive damages at issue and prevent a further windfall to Cognizant and TriZetto in the form of pre-judgment interest, Syntel appealed the portion of the jury's verdict affirmed by the Court. Among other concerns, the Company continues to consider the amount of damages grossly out of proportion to the acts complained of, and that the maximum amount of damages legally available to TriZetto in this case is approximately $ 8.5 million. The appeal was

filed with the U.S. Court of Appeals for the Second Circuit on May 26, 2021 and briefing was completed on December 23, 2021. The oral argument in the Court of Appeals took place on September 19, 2022.

The appeal process typically takes 18 months or more. No payment of damages will have to be made before the appeal decision but Syntel was required to post a supersedeas bond for approximately the remaining damages amount at the time the appeal was filed (see Note 15).

Note 17 Related party transactions

Related parties are defined as follows:

- entities which are controlled directly by the Group, either solely or jointly, or indirectly through one or more intermediary controls. Entities which offer post-employment benefits in favor of employees of the Group, or entities which are controlled or jointly owned by a member of the key management personnel of the Group as defined hereafter; and
- key management personnel of the Group defined as persons who have the authority and responsibility for planning, directing and controlling the activity of the Group, namely members of the Board of Directors, as well as members of the Executive Board.

Transactions between Atos and its subsidiaries, which are related parties of the Group, have been eliminated in consolidation and are not disclosed in this note.

Transactions between the related parties

The main transactions between the related entities are composed of:

- The reinvoicing of the premises;
- The invoicing of delivery services such as personnel costs or use of delivery infrastructure;
- The invoicing of administrative services; and
- The interest expense related to the financial items.

These transactions are entered into at market conditions.

At December 31, 2022, there were no receivables or liabilities included in the statement of financial position linked to related parties.

Compensation of members of the Board of Directors and members of the Executive Board

The remuneration of the key members of Management during the year is set out below:

(In € million)	12 months ended December 31, 2022	12 months ended December 31, 2021
Short-term benefits	12	13
Employer contributions & other taxes	3	4
Post-employment benefits	0	0
Equity-based compensation: stock options & free share plans	3	9
Total	**18**	**26**

Short-term benefits include salaries, bonuses and fringe benefits. Bonuses correspond to the total charge reflected in the income statement including the bonuses actually paid during the year, the accruals relating to current year and the release of accruals relating to prior year.

Note 18 Consolidation scope as of December 31, 2022: main entities

	% of Interest	Consolidation method	% of Control	Address
HOLDING COMPANIES				
Atos SE		Group Parent Company		80, quai Voltaire - 95870 Bezons, FRANCE
Atos International B.V.	100	FC	100	Burgemeester Rijnderslaan 30, 1185 MC Amstelveen, THE NETHERLANDS
Saint Louis Ré SA	100	FC	100	74, rue de Merl - L2146 Luxembourg, FRANCE
Atos International SAS	100	FC	100	80, quai Voltaire - 95870 Bezons, FRANCE
Bull SA	100	FC	100	68, Rue Jean Jaurès - 78340 Les Clayes-sous-Bois, FRANCE
FRANCE				
Atos France	100	FC	100	80, quai Voltaire - 95870 Bezons
Atos Worldgrid SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Yunano SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Bull SAS	100	FC	100	68, Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
Agarik SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
Avantix SAS	100	FC	100	655, avenue Galilée - 13794 Aix en Provence
Evidian SA	100	FC	100	68, Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
Air Lynx SAS	100	FC	100	68, Rue Jean Jaurès - 78340 Les Clayes-sous-Bois
Keynectis SA	100	FC	100	Tour Eria, 5 rue Bellini - 92800 Puteaux
Atos Digital Security SAS	100	FC	100	50, avenue Daumesnil - 75012 Paris
EcoAct SAS FR	100	FC	100	35, rue de Miromesnil - 75008 Paris
Edifixio SAS	100	FC	100	80, quai Voltaire - 95870 Bezons
GERMANY				
Atos Information Technology GmbH	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich
CHG Communications Holding GmbH	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich
Unify Funding GmbH	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich
Atos IT Dienstleistung und Beratung Gmbh	100	FC	100	Bruchstrasse, 5 - 45883 Gelsenkirchen
Atos International Germany Gmbh	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich
Applied International Informatics GmbH	100	FC	100	Torstraβe, 49 - 10119 Berlin
Bull GmbH	100	FC	100	Von-der-wettern-straβe, 27 - 51149 Cologne
Science + computing AG	100	FC	100	Hagellocher Weg, 73 - 72070 Tübingen
Energy4u GmbH	100	FC	100	Albert-Nestler Straβe, 17 - 76131 Karlsruhe
Atos Support GmbH	100	FC	100	The Squaire, Am Flughafen 14 - 60549 Frankfurt am Main
Atos IT Services GmbH	100	FC	100	Stinnes-Platz, 1 - 45 472 Mülheim an der Ruhr
Unify Communications and Collaboration GmbH & Co. KG (*)	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich
Atos Systems Business Services GmbH	100	FC	100	Am seestem, 1 - 40547 Dusseldorf
Cycos AG	95.1	FC	100	Joseph-von-Frauenhofer-Straβe, 5 - 52477 Alsdorf
Unify GmbH & Co. KG (*)	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich
Unify Deutschland Holding GmbH	100	FC	100	Otto-Hahn-Ring, 6 - 81739 Munich
cv cryptovision GmbH	100	FC	100	Munscheidstr. 14 - 45886 Gelsenkirchen
THE NETHERLANDS				
Atos Nederland B.V.	100	FC	100	Burgemeester Rijnderslaan, 30 - 1185 MC Amstelveen
Atos Telco Services B.V.	100	FC	100	Burgemeester Rijnderslaan, 30 - 1185 MC Amstelveen
Motiv IT Masters B.V.	100	FC	100	(3402 PL) Ijsselstein - Utrechtseweg 34 e
OTHER EUROPE - MIDDLE EAST - AFRICA				
Algeria				
Bull Algerie	100	FC	100	Rue Yehia El-Mazouni, 16, El Biar - Algiers
Austria				
Atos IT GmbH	100	FC	100	Siemensstraβe, 92 - 1210 Vienna
Atos IT Solutions and Services GmbH	100	FC	100	Siemensstraβe, 92 - 1210 Vienna
TSG EDV-Terminal Service GmbH	99	FC	100	Modecenterstraβe, 1 - 1030 Vienna
SEC Consult Austria	100	FC	100	14, 1. Stock Komarigasse - 2700 Wiener Neustadt
Belgium				
Atos Belgium SA/NV	100	FC	100	Da Vincilaan, 5 - 1930 Zaventem
Bulgaria				
Atos IT Solutions and Services EOOD	100	FC	100	1000 Sofia, Oborishte Region, 2 Maria Luiza Blvd, TZUM Business Center, 4th floor
Ivory Coast				
Bull Cote d'Ivoire	100	FC	100	31, avenue Noguès - 01 BP 1580 Abidjan 01
Denmark				
Atos IT Solutions and Services A/S	100	FC	100	Dybendalsvaenget, 3 - 2630 Taastrup

	% of Interest	Consolidation method	% of Control	Address
Croatia				
Atos IT Solutions and Services d.o.o	100	FC	100	Heinzelova, 69 - 10000 Zagreb
Czech Republic				
Atos IT Solutions and Services s.r.o.	100	FC	100	Doudlebská, 1699/5 - 14000 Praha 4
DataSentics AS	100	FC	100	Washingtonova, 1599/17, Nové Město - 11000 Praha 1
Gabon				
Bull Gabon	100	FC	100	Immeuble Abiali, ZI d'Oloumi - BP 2260 Libreville
Greece				
Atos Greece SA	100	FC	100	Irakleio Avenue, 455, N. Iraklio - 14122 Athens
Finland				
Atos IT Solutions and Services oy	100	FC	100	Kalkkipellontie, 6 - 026050 Espoo
Ideal Product Data Oy	100	FC	100	Jaakonkatu 2 - 01620 Vantaa
Hungary				
Atos Magyarország Kft	100	FC	100	1138 Budapest, Vaci ut 121-127. Vaci greens D Building, 4th floor
Ireland				
Atos IT Solutions and Services Limited	100	FC	100	Level 5, Block 4, Dundrum Town Centre, Sandyford Road - Dublin 16
Italy				
Atos Italia S.p.A.	100	FC	100	Via Caldera, no. 21 - 20158 Milan
Lebanon				
Bull SAL	100	FC	100	Rue Jal el Dib, 69 - Secteur 1 - BP 60208 Beyrouth
Lithuania				
UAB "Bull Baltija"	100	FC	100	Gostauto Street, 40 - 01112 Vilnius
Luxembourg				
Atos Luxembourg PSF SA	100	FC	100	1, rue Edmond Reuter Contern - 5326 Luxembourg
Madagascar				
Bull Madagascar SA	100	FC	100	12, rue Indira Gandhi, Tsaralalana, BP 252 Antananarivo
Morocco				
Atos IT Services SARL	100	FC	100	Espace les Palmiers, angle avenues Mehdi Benbaraka et Annakhil - Hayryad Rabat
Atos ITS Nearshore Center Maroc SARL	100	FC	100	Boulevard Al Qods, Quartier Sidi Maarouf, Casanearshore - 1100 Casablanca
Bull Maroc	100	FC	100	Boulevard Al Qods, Quartier Sidi Maarouf, Casanearshore - 1100 Casablanca
Namibia				
Bull Information Technology Namibia Pty. Ltd.	100	FC	100	C/o Deloitte & Touche, Namdeb Center, Bulow street, 10 - PO Box 47 Windhoek
Poland				
Atos Polska SA	100	FC	100	Krolewska, 16 - 00-103 Warsaw
Atos Poland Global Services Sp Zoo	100	FC	100	Ul. Krolewska 16 - 00-103 Warszawa
Portugal				
Atos Soluções e Serviços para Tecnologias de Informação, Unipessoal, Ltda	100	FC	100	Avenida José Malhoa 16 - Piso sétimo B2 - Edificio Europa. Distrito: Lisboa, Concelho: Lisboa, freguesia: Campolide - 1070 159 Lisbon
Romania				
Atos IT Solutions and Services s.r.l.	100	FC	100	Calea Floreasca, 169A, Sector 1 - 014459 Bucharest
Atos IT Solutions Romania SRL	100	FC	100	Calea Floreasca, 169A, Sector 1 - 014459 Bucharest
Atos Convergence Creators GmbH S.R.L	100	FC	100	Municipiul Braşov, Strada MIHAIL KOGĂLNICEANU, Nr. 21, Bloc C6, Judet Braşov
Senegal				
Bull Senegal	100	FC	100	Cité Keur Gorgui, Immeuble Khadimou Rassoul - BP 3183 Dakarl
Serbia				
Atos IT Solutions and Services d.o.o.	100	FC	100	Danila Lekica Spanca 31 - 11070 Beograd
South Africa				
Atos (PTY) Ltd	74	FC	100	Woodlands Office Park, Ground Floor Building 32 - 2144 Woodlands
Spain				
Atos Consulting Canarias SA	100	FC	100	Calle Subida al Mayorazgo, 24b - 38110 Santa Cruz de Tenerife
Atos Spain SA	100	FC	100	Albarracin, 25 - 28037 Madrid
Atos IT Solutions and Services Iberia SL	100	FC	100	Ronda de Europa, 5 - 28760 Madrid
Atos Worldgrid SL	100	FC	100	Calle Isabel Torres, 19 Edificio Cisga - 39011 Santander
MSL Technology SL	100	FC	100	C/ Marques de Ahumada, 7 - 28028 Madrid
Slovakia				
Atos IT Solutions and Services s.r.o.	100	FC	100	Pribinova 19/7828 - 811 09 Bratislava
Sweden				
Atos IT Solutions and Services AB	100	FC	100	Johanneslundsvägen, 12-14 - 194 87 Upplands Väsby
Switzerland				
Atos AG	100	FC	100	Freilagerstrasse, 28 - 8047 Zürich
Turkey				
Atos Bilisim Danismanlik ve Musteri Hizmetleri Sanayi ve Ticaret A/S	100	FC	100	Yakacık Caddesi, No 111 - 18 - 34870, Kartal, Istanbul

	% of Interest	Consolidation method	% of Control	Address
United Arab Emirates - Dubai				
Atos Origin FZ LLC	100	FC	100	Office G20, Building DIC-9 Dubai Internet City - PO Box.500437
ATOS FZ LLC Dubai Branch	100	FC	100	The Galleries Building, No2 Level 2 - 500437 Downtown Jebel
Paladion Sharjah (Branch)	100	FC	100	Saif Suite X4 - 03 and SAIF Office P8-05-58, Sharjah Airport International Free Zone, Sharjah, Sharjah, 120398
Qatar				
Atos Qatar Llc	100	FC	100	Sheikh Suhaim bin Hamad Street - No.89858 Doha
Egypt				
Atos IT SAE	100	FC	100	50, Rue Abbass El Akkad, Nasr city - Cairo
Saudi Arabia				
Atos Saudi LLC	49	EM	49	P. O. Box # 8772 - Riyadh-11492
THE UNITED KINGDOM				
Atos Consulting Limited	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Atos IT Services Limited	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Atos IT Services UK Limited	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Atos UK IT Holdings Limited	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Shere Limited	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Atos BPS Ltd	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Atos UK Holdings Ltd	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Atos International IT Holdings Ltd	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Engage ESM holding LTD	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Engage ESM LTD	100	FC	100	High holborn, 71, Mid City Place Second Floor - WC1V6EA London
Carbon Clear LTD	100	FC	100	70-78, York Way,UnitA N1 9AG - London
Ipsotek Ltd.	100	FC	100	Acre House, 11-15 William Road, NW1 3ER - London
Cloudreach Europe Limited	100	FC	100	3rd Floor Saffron House 6-10 Kirby Street, London, EC1N 8TS
ASIA PACIFIC				
Australia				
Atos (Australia) Pty. Ltd	100	FC	100	Mountain Highway, 885 - 3153 Bayswater Victoria
China				
Atos Information Technology (Nanjing) Co., Ltd	100	FC	100	Floor 12, Building 1B Powerise accelerator, High Tech zone Software park - Nanjing Jiangsu Province
Atos Information Technology (China) Co. Ltd	100	FC	100	Room 05.161, Floor 5, Building E No.7, Zhonghuan Nanlu Wangjing - Chaoyang District Beijing
Atos Worldgrid Information Technology (Beijing) Co. Ltd	100	FC	100	Room 05.162, Floor 5, Building E No.7, Zhonghuan Nanlu Wangjing - Chaoyang District Beijing
RTS Information Consulting (Chengdu) Co. Ltd	100	FC	100	Room 108-109, 1st floor, Building B2, Tianfu Software Park, High Tech Zone - Chengdu Sichuan Province
Hong Kong				
Atos Information Technology HK Ltd	100	FC	100	8/F Octa Tower - 8 Lam Chak Street - Kowloon Bay
Bull Information Systems (Hong Kong) Limited	100	FC	100	RM 1401 - Hutchison House - 10, Harcourt Road
India				
Atos India Private Limited	100	FC	100	Godrej & Boyce Complex - Plant 5 - Pirojshanagar - LBS Marg Vikhroli(W) - Mumbai - 400079
Atos IT Services Private Limited	99.99	FC	100	Innovator Building - International Tech Park - Whitefield Road - 560066 Bangalore - Karnataka
Anthelio Business Technologies Private Limited	99.99	FC	100	Level 1, Part A of Tower1,Phase 2, SY.NO 115 (Part) Waverock, APIIC IT\ITES SEZ, Nanakramguda Serilingampally Mandal Hyderabad Telangana 500008
Syntel Pvt Ltd.	100	FC	100	Unit No,112, SDF IV, SEEPZ Andheri (East) Mumbai 400 096 Maharashtra
State street Syntel Services Pvt Ltd (**)	100	FC	100	4/5th floor, Building No.4, Mindspace -Navi Mumbai, Thane-Belapur road, Airoli-400708
Syntel Global Pvt Ltd	100	FC	100	Ground floor, E-Tech Software Technology Park, Dhokali Naka,Kolshet road, Thane(West)-400607
Paladion Networks Pvt. Ltd. India	100	FC	100	Level 6, 10/11 Dr. Radhakrishnan Salai Mylapore - Chennai 600004
Japan				
Atos KK	100	FC	100	6 F, Daisan Toranomon Denki Building - 1-2-20 Minato-ku Tokyo
Evidian-Bull Japan KK	100	FC	100	6 F, Daisan Toranomon Denki Building - 1-2-20 Minato-ku Tokyo
Malaysia				
Atos Services (Malaysia) SDN BHD	100	FC	100	16-A (1st Floor) Jalan Tun Sambanthan - 3 Brickfields - 50470 Kuala Lumpur
Mauritius				
State street Syntel Services Mauritus Ltd (**)	100	FC	100	C/o SGG Corporate Services (Mauritius) Ltd 33, Edith Cavell Street - Port Louis, 11324
Philippines				
Atos Information Technology Inc.	99.94	FC	100	23/F Cyber One Building - Eastwood City - Cyberpark - 1110 Libis, Quezon City
XBS Disposition Subsidiary Philippines, Inc.	100	FC	100	8th Floor, Two E-Com Center, Palm Coast Ave., Mall of Asia Complex, 1110 Pasay City
Singapore				
Atos Information Technology (Singapore) Ptd Ltd	100	FC	100	Blk 988 Toa Payoh North #08-01 - 319002
Taïwan				
Atos (Taiwan) Ltd	100	FC	100	5F, No 100 Sec 3, Min Sheng E. Road - Taipei
Thaïland				
Atos IT Solutions and Services Ltd	100	FC	100	2922/339 Charn Issara Tower II - 36th Floor - New Petchburi Road - Bangkapi - Huay Kwang - 10310 Bangkok

	% of Interest	Consolidation method	% of Control	Address
AMERICAS				
Argentina				
Atos Argentina SA	100	FC	100	Cnel. Manuel Arias 3751, piso 18, PB, C.A.B.A.- C1430DAL, Buenos aires
Bull Argentina SA	100	FC	100	Manuela Saenz 323 5to. Piso Of. 506 - C 1107 bpa, Buenos aires
Brazil				
Atos Brasil Ltda	100	FC	100	Avenida das Nacoes Unidas, 12901 - Torre Norte, 19 Andar, PARTE B - Brooklin, CEP 04578-910, na Cidade de Sao Pauolo
Atos Serviços de Tecnologia da Informação do Brasil Ltda	100	FC	100	Avenida das Nacoes Unidas, 12901 - Torre Norte, 19 Andar, PARTE B - Brooklin, CEP 04578-910, na Cidade de Sao Pauolo
Bull Ltda.	100	FC	100	Avenida das Nacoes Unidas, 12901 - Torre Norte, 19 Andar, PARTE B - Brooklin, CEP 04578-910, na Cidade de Sao Pauolo
Canada				
Atos Inc.	100	FC	100	6375 Shawson Drive - L5T 1S7 Mississauga - Ontario
Atos Service Digitaux Québec Inc	100	FC	100	415, Rue Saint-Antoine cuest Bureau, 400 Montréal - Québec H2Z 2B9
Processia Solutions Inc.	100	FC	100	3131, St-Martin ouest, Laval - QC H7T 2Z5
AppCentrica Inc	100	FC	100	3 Church Str, suite 600, Toronto - Ontario M5E 1M2
Colombia				
Atos IT Solutions and Services S.A.S	100	FC	100	Autopista Norte Carrera 45 N° 108-27 Torre 2 oficina 1505 - Bogotá
Mexico				
Atos Global Delivery Center México, S. de R.L. de C.V.	100	FC	100	Sevilla No. 40 Piso 3 - Colonia Juarez delgation Cuauhtemoc - 06600 Ciudad de Mexico
The United States of America				
Atos IT Solutions and Services Inc.	100	FC	100	4851 Regent Boulevard - Irving, TX 75063
Atos IT Outsourcing Services, LLC	100	FC	100	4851 Regent Boulevard - Irving, TX 75063
Atos Governmental IT Outsourcing Services, LLC	100	FC	100	4851 Regent Boulevard - Irving, TX 75063
Atos Healthcare Services, LLC	100	FC	100	4851 Regent Boulevard - Irving, TX 75063
Atos Syntel Inc.	100	FC	100	525 E. Big Beaver Road,Suite 300, Troy, MI 48083
Anthelio Global Inc.	100	FC	100	One Lincoln Centre, Suite 200 - 5400 LBJ Freeway TX 75240 Dallas
Atos Digital Health Solutions	100	FC	100	2500 Weschester Ave - 3rd Floor - Purchase New York 10577
Pyramid Healthcare Solutions Inc.	100	FC	100	One Lincoln Centre, Suite 200 - 5400 LBJ Freeway TX 75240 Dallas
Evidian Systems Inc.	100	FC	100	285 Billerica Road, Suite 200 - Chelmsford, MA 01824-4174
Unify Inc	100	FC	100	1630 Corporate Court - Irving - Texas 75038
Engage ESM Inc.	100	FC	100	4851, Regent Boulevard - Floors 1, 3 & 4 Irving - TX 75063
Maven Wave Partners LLC	100	FC	100	71 S. Wacker Drive, Suite 2040, Chicago, IL 60606
Paladion Technologies Inc.	100	FC	100	Delaware corporation with its office at 11480 Commerce Park drive, Suite 210, Reston Virginia 20191
Eagle Creek Software Services	100	FC	100	10050 Crosstown Circle, Suite 360, Eden Prairie, Minnesota 55344
Nimbix Inc.	100	FC	100	2323 Bryan St. Suite 1520 MS 108
VisualBI Solutions Inc.	100	FC	100	5920 Windhaven Parkway, Plano, TX 75093
Cloudreach Inc.	100	FC	100	9 E. Loockerman Street, Suite 311, Dover, 19901
Cloudamize Inc.	100	FC	100	9 E. Loockerman Street, Suite 311, Dover, 19901
Uruguay				
Bull Uruguay SA	100	FC	100	Av. Dr Luis A. de Herrera, 2802 - 1160 Montevideo

(*) The Group has an interest in five German companies, which are fully consolidated into these Group financial statements. The companies have made use of the stipulations available under § 264b of the German Commercial Code (HGB). It exempts these legal entities from the requirement to disclose separate audited financial statements as of 31 December 2022, since they are included in the Consolidated Financial Statements of the ultimate parent company (Atos S.E.) and such Consolidated Financial Statements for the full year of 2022 are registered with the trade register of the particular entity.

(**) Atos owns 49% of the shares of State Street Syntel Services (Mauritius) Ltd, which owns 100% of State Street Syntel Services Pvt Ltd. The joint arrangement between the Atos Group and the State Street group has been qualified as joint operation under IFRS 11. Under IFRS 11.21, a joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the assets, liabilities, revenues and expenses. The rights and obligations of the two Joint operators are defined in the Master Service Agreement signed between both parties and the shareholders agreement. The JVs set up with State Street group and Atos Group are committed to deliver IT services to the State Street group as per the Master Service Agreement. Atos is entitled to 100% of the financial outcome of the contract and has to bear all liabilities. Therefore, Atos obligations are to ensure the settlement of JVs liabilities, ensure that state street receives the promised services. The Atos Group is entitled in counterpart to recognize revenue related to the services rendered to the State Street group accounted for in accordance with IFRS 15.

Note 19 Subsequent events

On January 18, 2023, the UK National Employment Savings Trust ("NEST") and Atos have ended, by mutual agreement, the contract under which Atos was to develop and run business processes for the schemes operated by the public Nest Corporation of the Department for Work and Pensions. The accounting consequences of the termination have been considered when preparing Atos annual consolidated financial statements for the year ended December 31, 2022.

On January 24, 2023, Atos announced that it has entered into exclusive negotiations with Mitel Networks for the sale of its Unified Communications & Collaboration Services business.

Note 20 Auditors' fees

	Grant Thornton				Deloitte			
(in €thousand and %)	*Grant Thornton*		*Other Grant Thornton member firms*		*Deloitte & Associés*		*Other Deloitte member firms*	
	Fees	**%**	**Fees**	**%**	**Fees**	**%**	**Fees**	**%**
Audit and limited review of individual and consolidated financial statements								
Parent company	1,035	59%	-	0%	1,229	48%	-	0%
Subsidiaries	717	41%	3,802	75%	1,218	48%	1,124	76%
Sub-total Audit	**1,752**	**100%**	**3,802**	**75%**	**2,447**	**96%**	**1,124**	**76%**
Non audit services*								
Parent company	-	0%	-	0%	103	4%	-	0%
Subsidiaries	4	0%	1,292	25%	-	0%	347	24%
Sub-total Non Audit	**4**	**0%**	**1,292**	**25%**	**103**	**4%**	**347**	**24%**
Total fees 2022	**1,756**	**100%**	**5,093**	**100%**	**2,550**	**100%**	**1,471**	**100%**

** In 2022, non audit services related to services provided at the Company's request and notably corresponded to (i) certificates and reports issued as independent third party on human resources, environmental and social information pursuant to article of the French Commercial Code, and (ii) tax services, authorized by local legislation, in some foreign subsidiaries*

	Grant Thornton				Deloitte			
(in €thousand and %)	*Grant Thornton*		*Other Grant Thornton member firms*		*Deloitte & Associés*		*Other Deloitte member firms*	
	Fees	**%**	**Fees**	**%**	**Fees**	**%**	**Fees**	**%**
Audit and limited review of individual and consolidated financial statements								
Parent company	931	56%	-	0%	1,198	48%	-	0%
Subsidiaries	711	42%	3,207	72%	1,251	50%	991	78%
Sub-total Audit	**1,642**	**98%**	**3,207**	**72%**	**2,449**	**99%**	**991**	**78%**
Non audit services*								
Parent company	25	1%	-	0%	32	1%	-	0%
Subsidiaries	6	0%	1,245	28%	-	0%	273	22%
Sub-total Non Audit	**31**	**2%**	**1,245**	**28%**	**32**	**1%**	**273**	**22%**
Total fees 2021	**1,673**	**100%**	**4,453**	**100%**	**2,481**	**100%**	**1,264**	**100%**

** In 2021, non audit services related to services provided at the Company's request and notably corresponded to (i) certificates and reports issued as independent third party on human resources, environmental and social information pursuant to article of the French Commercial Code, and (ii) tax services, authorized by local legislation, in some foreign subsidiaries*