

From:

**EP Equity Investment S.à r.l. ("EPEI")
Attestor Limited ("Attestor")**

To:

M. Jean-Pierre Mustier
Président du Conseil d'Administration d'Atos SE
River Ouest
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95870 BEZONS

Cc:

Me Hélène Bourbouloux (Conciliator)
CIRI

Rothschild & Co

Perella Weinberg Partners

On 31 May 2024

STRICTLY CONFIDENTIAL

RE: PROJECT ALPHAFIN – FINAL OFFER

Dear Sir,

EPEI and Attestor (together the "**Bid Consortium**" or "**we**") are hereby submitting a final offer (the "**Final Offer**") following up on:

- our preliminary indicative offer letter dated 03 May 2024 for an investment in and restructuring of ATOS SE (the "**Company**" or "**Atos**", together with its subsidiaries the "**Group**") (the "**Initial Offer**"),
- certain comments received on our Initial Offer in the context of plenary and/or bilateral meetings held thereafter,
- our improved indicative offer letter dated 26 May 2024 (the "**Improved Offer**"), and
- certain comments received on our Improved Offer in the context of plenary and/or bilateral meetings held thereafter.

This Final Offer is made with the overarching goal of turning around and relaunching Atos on a solid strategic path, to heighten its technology proposition, its market relevance and overall competitiveness, to regain the confidence of its customers and staff, and to revive its profile, in all respects. We recognize that the Group has several highly valuable strategic business lines which rely on the confidence of key staff members and the trust of its clients. As a result, we are presenting a plan that offers stability quickly by injecting capital and providing stewardship in the form of the right reference shareholders.

We firmly believe that the current restructuring effort is Atos's final opportunity for survival, as the Group could not endure another restructuring if this attempt fails to steer it back towards recovery. It is now important to have a clear, deliverable, and funded proposal that can give stability to Atos and its key stakeholders including clients and employees.

1. **Our Final Offer in a nutshell**

In a nutshell, as per the financial terms set out in [Appendix 1](#) and our objectives and strategic intention for the Group set out in [Appendix 2](#), our Final Offer delivers:

- **Strong European industrial focus**: a restructuring plan proposed jointly by leading European industrial operator (EPEI) (having, together with affiliates, annual IT spend of over €2bn, and therefore having a unique client perspective for ATOS) and London-based turnaround investor (Attestor) with proven track-records in high stake situations,
- **Stability**: a clear and stable reference shareholding and governance structure, anchored in Europe, for the Group, providing comfort to clients and all stakeholders that the best possible long-term strategy will be implemented with regard to all businesses,
- **Clear group strategy**: a primary focus on preserving the Group's integrity, following the disposal of Sensitive Activities and Worldgrid,
- **Certainty of funds**: an already fully funded €500m to €700m equity investment by the Bid Consortium,
- **Substantial deleveraging**: upon completion of the restructuring, the Group's gross financial debt would amount to €1,425m¹, representing a gross debt reduction of ~€3.4bn.

2. **Key terms of the Final Offer**

a. Key financial parameters

As further detailed in the term sheet appended as [Appendix 1](#), our Final Offer includes the below key financial parameters:

- **New money equity** including €500m of new common equity through a subscription in cash to a share capital increase at restructuring effective date and an additional investment of max. €200m to support liquidity needs post restructuring effective date, subject to conditions to be specified;
- **New financings** secured by a 1st lien security package in an amount of €1,200m including €500m New RCF or similarly flexible debt, €400m new factoring facility and €300m new guarantee lines (no stapling mechanism);
- **Existing debt** will be restructured as follows:
 - repayment of the interim financing at restructuring effective date;
 - €550m 2nd lien elevated debt for providers (including €50m of reserved allocation to early bird committing providers) of the new financings;
 - for the existing debt not converted into elevated debt (and excluding the interim financing for the avoidance of doubt):
 - €500m cash repayment at restructuring effective date;
 - an additional cash payment corresponding to 50% of the realized disposal proceeds paid to Atos for all of the Sensitive Activities and Worldgrid in excess of €1bn;
 - €375m of convertible bonds to provide increase in recovery based on the value of the Digital business;
 - the balance of the existing debt will be equitized for an aggregate ~ 1% of the share capital post completion of the new money injection.

¹ Comprising (i) €500m new RCF or similarly flexible debt, (ii) €550m Elevated Debt and (iii) €375m Convertible Bonds

b. Digital business

The Bid Consortium will review the strategic alternatives for the digital business in light notably of its clients' needs (including preservation of the digital business in the Group, potential merger, disposals or partnerships), with the aim to give certainty to stakeholders in the near term.

Please refer to the above and to [Appendix 2](#) regarding our strategic considerations for the digital business.

c. Board, management, workforce and interim governance

We set out our objectives for the Group with respect to management and future governance in [Appendix 3](#) to this Final Offer.

- **Board**

As regards the governance of Atos, the Company would be controlled by the Bid Consortium, should our Final Offer be successful, and we will reexamine the composition of the Board to ensure best-in-class governance for the Group. We are convinced it is in the best interest of the Company to be supported by a strong and identified controlling shareholder.

The Company shall be managed in accordance with best corporate practice and with the rules of the AFEP-MEDEF code.

- **Management team**

As for the management team, we shall rely on the existing highly technically-skilled talents in each business unit with vast industry experience, who shall be complemented with selected additions of high potential and with the support of a senior advisory team with deep experience in IT and AI.

In parallel with our intense focus on the financial and strategic reorganization workstreams, we are in advanced discussions and in the process of retaining a very credible team of executives (including a CEO) who combine experience with complex restructuring processes as well as in-depth IT expertise. We intend to have this team of executives appointed on the date of completion of the restructuring to immediately implement the strategic views for the turnaround of the Group.

Considering the sensitivity of such matters and the need to protect the confidentiality of the pending discussions, we will be able to finalize and to disclose the composition of its management team only if and when our Final Offer is finally accepted.

- **Workforce**

Our Final Offer aims at maintaining the integrity of the core of Atos. It is important however to note that Atos is already currently undergoing a sizeable HR restructuring plan which Atos management considered necessary to transition towards a newly based sustainable standing, which may be even adjusted to take into account the lower utilization of billable resources in all the businesses mentioned in Atos revised business plan after the announcement of Q1 2024 results. Without prejudice to full completion of the ongoing HR restructuring plan, we do not foresee that our business plan would require implementation of additional forced downsizing measures in France.

- **Interim Governance**

Upon acceptance of our Final Offer by the Company, under the aegis of the conciliator Maître H  l  ne Bourbouloux, and subject to compliance with all applicable laws, the Bid Consortium expects to be able to appoint an interim CEO and Chief Transformation Officer (the "**Interim Management**") of its choosing to manage the Group's business prior to closing of the proposed transaction (the "**Interim Period**").

The Interim Management shall have the ability to evaluate and, subject to compliance with all applicable laws, execute strategic alternatives for the Group's business unites including all potential

mergers, disposals or restructuring (the "**Strategic Actions**"). We expect all Strategic Actions to be taken by mutual consent between the Company and the Bid Consortium with the Bid Consortium's ability to terminate acquisition and restructuring proposal if an action is taken without first obtaining the joint approval.

d. Conditions precedent

The implementation of our Final Offer is subject to the following conditions precedent:

- granting of required merger clearances (including a merger clearance by the European Commission), foreign direct investment clearances (including FDI clearance by the French State) as well as FSR clearance by the European Commission,
- agreement on long-form documentation satisfactory to the Bid Consortium, the Company and the relevant stakeholders to the extent necessary to implement the Final Offer;
- grant by the AMF of an exemption to the obligation to launch a tender offer on the Company's securities;
- receipt of an independent expert's report confirming that the terms of the restructuring are fair to the shareholders of the Company;
- approval of an accelerated safeguard plan implementing the Final Offer and agreement on other relevant documentation necessary to implement the restructuring (including customary interim covenants);
- support of key stakeholders including a satisfactory amount of support of the financial creditors to render likely the adoption of an accelerated safeguard plan.

Regarding required regulatory clearances, as stated in our Indicative Offer, in the context of the Tech Foundations transaction (which Atos and EPEI mutually agreed to terminate in February 2024), EPEI has already obtained certain regulatory approvals (including merger clearance from the European Commission and numerous foreign direct investment approvals in the jurisdictions where Atos is active) on which it will be possible to build on to accelerate the process to consummation of a transaction.

Attestor does not expect material issues or delays in its regard either, taking into account that EPEI and Attestor have recently and jointly invested in Casino Guichard Perrachon.

We are therefore confident that there are no identified red flags and we do not anticipate any issues or delays as regards in particular merger clearance and FDI approvals. Time is of the essence and we stand ready to initiate, or re-open, the processes required to obtain the necessary regulatory approvals as soon as possible.

Notwithstanding anything to the contrary, this Final Offer shall become binding on the Bid Consortium only upon reiteration (as the case may be) by the Bid Consortium, in line with the timeline indicated by the Company to reach the final agreement.

e. Assumptions

Our Final Offer is made based upon the following assumptions:

- (a) H1 results in line with Accuracy IBR;
- (b) availability of Volume 4 of Accuracy's IBR to allow review prior to the deadline to reach an agreement within the conciliation proceedings as indicated by the Company;
- (c) satisfactory answers are received to outstanding due diligence questions;
- (d) signing of definitive binding agreements, prior to the restructuring date, in relation to the disposal of the Sensitive Activities to the French State, in line with the parameters announced by the Company on 29 April 2024;
- (e) signing of definitive binding agreements, prior to the restructuring date, in relation to the disposal of Worldgrid, in line with parameters pre-agreed with the Bid Consortium;
- (f) no disposal within the TC perimeter, Digital perimeter or Cybersecurity services perimeter, other than: (i) pre-agreed permitted transactions specified in the long-form documentation or (ii) as agreed to by the Bid Consortium;
- (g) no new material financial indebtedness of the Group other than: (i) financing of working capital and operational losses under prevailing market terms (standard interest rate) to

- the extent it is reasonable to finance such needs other than through utilisation of RCF or cash reserves, (ii) pre-agreed permitted transactions specified in the long-form documentation or (iii) as agreed to by the Bid Consortium;
- (h) no new material contract losses beyond those communicated as of 30 May 2024.

3. Other terms of the Final Offer

EPEI and Attestor may implement the transactions contemplated in this letter through their respective selected affiliates (provided that such respective selected affiliates remain, respectively, under the control of Mr. Daniel Křetínský and Attestor).

Any liability of the Bid Consortium members under this Final Offer shall be joint but not several (*conjointe et non solidaire*).

This Final Offer will remain in effect until 15 June 2024. This Final Offer remains subject to conditions specified in this letter.

In order to smoothly finalize the negotiation of the long-form documentation with the involved stakeholders, we ask for an exclusivity period until 31 August 2024 following the acceptance of this letter (the "**Exclusivity Period**"). During the Exclusivity Period, Atos and its representatives shall refrain from initiating, carrying, continuing any discussion and/or negotiation and/or soliciting any proposal and/or entering into any agreement, or a preliminary or conditional undertaking, concerning a transaction identical or similar to our Final Offer (or which would be detrimental to the Final Offer), in any form whatsoever, by any third party and you shall not – and shall cause your advisors not to – allow any third party to carry out any due diligence exercise aimed at entering into an agreement, or a preliminary or conditional undertaking, to consummate a transaction identical or similar to the one we are discussing with you (or which would be detrimental to the Final Offer).

This Final Offer shall be governed by, construed, and interpreted in accordance with French law. Any claims or disputes arising out of, or in connection with, this Final Offer shall be subject to the exclusive jurisdiction of the Commercial Court of Paris (*Tribunal de Commerce de Paris*).

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Please feel free to contact us or our advisors if you have any further questions. We look forward to hearing from you soon.

Yours faithfully,

Appendix 1 - Final Offer Term Sheet

Project Alpha – Key terms of the Final Offer

This document sets out the key financial terms of the contemplated transaction proposed by EPEI and Attestor (together, the “**Bid Consortium**”). It should be read in conjunction with the Bid Consortium’s Final Offer to which this document is attached.

The closing date of the New Money Equity injection (as defined below) is herein referred to as the “**Restructuring Effective Date**”.

<u>Disposals</u>	
Disposal of the Sensitive Activities and Worldgrid	<ul style="list-style-type: none"> ○ The Sensitive Activities and Worldgrid will be divested at the latest in the course of 2025 and the proceeds of such sale will be partially allocated to the existing creditors of Atos (the “Existing Creditors”) (for the avoidance of doubt, on top of an immediate €500m cash payment at the Restructuring Effective Date that is not conditional upon the completion of these disposals, see below) and to fund the operational (including restructuring, turnaround and contingencies) needs of Atos.
Potential disposal of the digital business	<ul style="list-style-type: none"> ○ We have listened to feedback from the Company, the banks and other stakeholders and have decided to propose the following course of action and structuring regarding the digital business. ○ The Bid Consortium will review the strategic alternatives for the digital business in light notably of its clients’ needs (including preservation of the Digital business in the Group, potential merger, disposals, partnerships), with the aim to give certainty to stakeholders in the near term. ○ A specific mechanism will be offered to the Existing Creditors to increase their recovery based on the value of the Digital business in excess of certain thresholds.
<u>Debt</u>	
New Financings	<ul style="list-style-type: none"> ○ The Group would benefit from new financings in the form of €1.2bn of working capital facilities (together, the “New Financings”) to be secured by a 1st Lien security package: <ul style="list-style-type: none"> - €500m New Money Debt Facility under the form of a revolving facility or similarly flexible debt; - Factoring Facility: €400m; - New Guarantee lines: €300m. ○ The New Financings will be offered to all Existing Creditors in proportions to be further discussed. ○ The New Financings will be committed for 5 years at a competitive price. ○ Any Existing Creditor participating in the New Financings will be eligible to receive Elevated Debt as provided below. ○ Backstop: the Bid Consortium could offer backstopping with banking partners.

<p>Debt Restructuring</p>	<ul style="list-style-type: none"> ○ The existing debt of Atos will be restructured as follows: <ul style="list-style-type: none"> - €550m of elevated debt (including €50m of reserved allocation to early bird committing providers of New Financings) (the “Elevated Debt”) will be offered to the providers of New Financings (assuming full take up of the New Financings by the Existing Creditors). Elevated Debt to be secured by a 2nd Lien security package; - upon the Restructuring Effective Date, the Company shall make available to the Existing Creditors (excluding for the avoidance of doubt the portion of the Existing Debt converted into Elevated Debt under the preceding paragraph, and the Interim Financing): <ul style="list-style-type: none"> ▪ an immediate cash paydown of the Existing Debt they hold in an aggregate amount of €500,000,000; ▪ an additional cash payment corresponding to 50% of the realized disposal proceeds paid to the Company for all of the Sensitive Activities and Worldgrid in excess of €1bn;² ▪ €375m of convertible bonds giving access to the value sharing waterfall described hereafter (the “Convertible Bonds”); - the balance of the Existing Debt (other than the Interim Financing)³ will be converted into equity of Atos (“Equitization”), for an aggregate 1% of the share capital on a fully diluted basis post-completion.
<p>Convertible Bonds</p>	<ul style="list-style-type: none"> ○ Key terms of the Convertible Bonds: <ul style="list-style-type: none"> - <i>Amount</i>: principal amount to be equal to €375m - <i>Maturity</i>: 24 months from the Restructuring Effective Date, or such earlier date as a Disposal Trigger Event occurs - <i>Repayment</i>: repayment will consist in a combination of cash repayment and equity repayment - <i>Cash repayment</i>: the Convertible Bonds will (as the case may be) be repaid in cash in an amount equal to the Allocated Digital Value (if any), with an additional repayment premium if the Allocated Digital Value exceeds the principal amount. The Allocated Digital Value will be determined (i) with reference to realized proceeds from any disposal in case a Disposal Trigger Event occurs, or (ii) at maturity under an equivalent valuation mechanism (at fair market value) to be agreed. The “Allocated Digital Value” shall be calculated as: <ul style="list-style-type: none"> • 50% of Digital Value between €1.25bn and €1.75bn; • 60% of Digital Value between €1.75bn and €2.25bn; • 70% of Digital Value between €2.25bn and €2.75bn;

² Note: if the Sensitive Activities or the Worldgrid activities have not been sold at the Restructuring Effective Date, the relevant entitlements shall be embedded in the Convertible Bonds.

³ Note: taking into account any amount paid at the Restructuring Effective Date from the disposal proceeds of the Sensitive Activities and Worldgrid in excess of €1bn, as per the above

	<ul style="list-style-type: none"> • 80% of Digital Value above €2.75bn; • each of the above tranches will be increased respectively to 60%, 70%, 80% and 90% in case of Disposal Trigger Event occurring within 6 months from the Restructuring Effective Date; <p>“Digital Value” shall be the realized net disposal proceeds (after any associated leakage, including but not limited to fees, tax, any costs or liabilities retained by the seller).</p> <p>A “Disposal Trigger Event” shall occur upon completion of any sale of Digital.</p> <p><u>Note</u>: The convertible bond concept replaces the contingent instrument concept in our Improved Offer, to reflect on the feedback received and maximise the attractiveness of our Final Offer for the creditors. It remains subject to structuring discussions and tax review.</p> <ul style="list-style-type: none"> - <i>Equity repayment</i>: Any amount not repaid in cash as per the above will be converted into equity for an aggregate <1% of the share capital on a fully diluted basis post-conversion.
Potential Interim Financing	<ul style="list-style-type: none"> ○ The Bid Consortium is willing to consider pre-funding part of their new money commitment by way of investing into an additional €350m interim facility provided with Existing Creditors, subject to ensuring adequate collateral, credit protection and terms.
<u>Equity</u>	
Capital Decrease	<ul style="list-style-type: none"> ○ If needed to implement the equity restructuring transactions or to reduce losses, potential decrease of nominal value per share from €1 down to €0.01.
Equitization	<ul style="list-style-type: none"> ○ Rights issue (<i>maintien du DPS</i>) by Atos for an amount equal to the portion of the Existing Debt to be equitized. ○ The right issue will be backstopped by the Existing Creditors (other than the Interim Financing) (each pro-rata its share of the Existing Debt). ○ Any proceeds of the rights issue will be affected to the repayment at par of the Existing Debt (other than the Interim Financing) <i>pari passu</i>. ○ The backstop will be called for the remaining amount and the subscription price will be paid by offsetting the remaining debt (<i>souscription par compensation de créances</i>).
New equity injection	<ul style="list-style-type: none"> ○ The Bid Consortium will invest up to €700m in equity, through (i) a €500m subscription in cash to a reserved share capital increase, to be funded at 100% by the Bid Consortium on the Restructuring Effective Date (“New Money Equity”) and (ii) an additional investment of max. €200m that will be considered by the Bid Consortium to support liquidity needs of the business after the Restructuring Effective Date, if considered to be sufficient to ensure Atos’ sustainability and subject to conditions to be specified. ○ As a result of the New Money Equity, the Bid Consortium would hold immediately c. 99% of the share capital of Atos.

Appendix 2 – Presentation of objectives and strategic intentions

1. Objectives of the Final Offer

We have listened carefully to the concerns and issues voiced by employees, clients, suppliers, shareholders, and other stakeholders of the Company, including the French State.

On that basis, we strongly believe that the terms of our Final Offer address all industrial and financial objectives set forth by the Company while providing a fair and realistic recovery to all (e.g., whether or not they participate in the new financings) stakeholders.

Our Final Offer protects the social interest of ATOS and recognizes the integrity of the Group and the interests of its stakeholders.

As stated in our Initial Offer, we stand prepared to take over the global operations of Atos. We perfectly understand the concerns you raised with respect to the client base regarding the Digital business. While we see that the risks are more linked with the on-going disruption caused by Gen AI impact on the applied business patterns, we want to assure you that our main preoccupation is understanding the clients needs and act in compliance with those needs.

For this reason, the Bid Consortium will review the strategic alternatives for the digital business in light notably of its clients' needs (including preservation of the digital business in the group, potential merger, disposals or partnerships), with the aim to give certainty to stakeholders in the near term.

We acknowledge previous indications on potential disposals of certain Atos' business lines (notably the Advanced Computing, Mission-Critical Systems and Cybersecurity Products (the "**Sensitive Activities**") and Worldgrid) and our Final Offer assumes that these disposals would take place on the presented terms.

In making this Final Offer for Atos, we have no intention to interfere in any direct or indirect way and warrant we shall take all measures to avoid any risk of interference, with the Atos business segments and activities which fall under sensitive national interests of France, including the Sensitive Activities.

We have learned limited information on the golden share to be issued by Bull SA (cf. Atos press release dated 9 April 2024) as well as on the non-binding letter of intent received from the French State to potentially acquire 100% of the Sensitive Activities of Atos's BDS division for an enterprise value comprised between €700m and €1bn. We understand from Atos press release dated 29 April 2024 that the transaction would be completed in H2 2025.

While we remain fully supportive of the French State's willingness to secure its sensitive national interests in the Sensitive Activities, the Final Offer assumes that we would be receiving more precise information regarding the arrangements, the proceeds expected from the sale of these sensitive businesses and the potential costs related to the carve-out, and further covenants between Atos and the French State.

We believe that the inevitable transformation will provide Atos employees with unique opportunities to shape the future of Atos while taking on new leadership roles, developing new technical skills in line with Atos' offerings and competencies, building a new portfolio at the forefront of the rapidly evolving industry, and doing work that matters for industry leading clients and that impacts the lives and livelihood of millions of individuals and families across the globe.

Our expertise, track-record, industrial solution and envisaged management secures operational stability of the Group.

Both EPEI and Attestor are long-term capital providers with a track record of best-in-class governance and management teams, who are committed to first securing the near-term stability

required for Atos and then providing the appropriate appealed framework for Atos to deliver on its long-term objectives.

With such near-term stability secured and the prospect of a "round two" restructuring vanished, we believe that Atos' employees, clients and suppliers will be able to regain trust in the long-term success of the Group.

From the perspective of EPEI, the groups of companies controlled by Mr Daniel Křetínský have strong experience with large companies and large-scale projects. They are a trusted partner at the European scale, running critical energy infrastructure and assets that hundreds of thousands of people rely upon.

The companies in which EPEI and other groups of companies controlled by Mr Daniel Křetínský have an annual IT spend of over €2bn.

Given the highly sophisticated IT exposure ranging from basic infrastructure to advanced security solutions, coupled with our extensive experience in corporate restructuring, we believe that the Bid Consortium including EPEI is very well-positioned to understand fully the Atos business case, the most advanced market needs, and to carry-out a successful turnaround.

Moreover, EPEI was one of the first investors to study the opportunity of investing in Atos in order to ensure the continuity of its business. Over the past two years, EPEI has devoted considerable financial and operational resources to this end. The rationale of our project results from our very thorough analysis of Atos' situation and difficulties.

Our strategy for Atos, which is discussed in greater detail below, involves guiding, supporting, and collaborating with the company as it implements our proposed turnaround plan aimed at achieving profitability and attaining excellence in IT services.

In delivering these objectives, we shall rely on the existing highly technically-skilled talents in each business unit with vast industry experience, who shall be complemented with selected additions of a very credible team of executives who combine experience with complex restructuring processes as well as in-depth IT expertise. In particular, we will ensure that the team of executives will be able to ensure business continuity of the Group and its long-term sustainability, retain and develop the clients base and reassure employees and suppliers on Atos' counterparty credit worthiness. We are very active in selecting and conducting personal interviews with key individuals of high quality, and of course, we will carry out the recruitments and establish the necessary organization to succeed. We will be in a position to conclude and announce these individuals and our renewed HR organization if and when our Final Offer is finally accepted, and further develop the renewed HR organization when the CEO we will appoint and our team will have also been able to engage with internal employees and select those with whom we will rebuild Atos.

We set out our objectives for the Group with respect to management and future governance in Appendix 3 to this Final Offer.

Our Final Offer is fully funded and provides a framework with ample liquidity to execute the Group's business plan.

Our Final Offer is fully funded, in certain funds, and we stand ready to deliver equity commitment letters alongside the other long-form documentation to be executed as part of the Final Offer implementation.

Our Final Offer addresses Atos' immediate funding needs. We are long-term capital providers with ample liquidity and we are fully aware that execution of the business plan over the 2024-2027 period is key to ensure the Group's turnaround on a long-term basis. Through this transformation journey, we are committed to being result focused and transparent and engage in swift adaptation of the business strategy in line with the objectives discussed in detail below, with the ambition to deliver early commercial results. If our Final Offer is implemented, we will be taking our responsibilities as controlling shareholder of the Group in this respect.

Our Final Offer establishes a sustainable capital structure for Atos.

We have carefully tailored our proposed capital structure to align it with the Group's future cash flow generation.

The Final Offer brings immediate strong deleveraging and liquidity to the Group. Upon completion of the restructuring, the Group's gross financial debt would amount to €1,425m, representing a reduction in gross debt of ~€3.4bn.

Lastly, our Final Offer should also allow Atos to regain a BB credit rating profile by 2026, which would enhance Atos' access to capital markets.

Our Final Offer would allow Atos to benefit from a credit rating in line with its peers and competitors.

2. Our strategic intentions

General Overview

Atos has historically developed around the key IT infrastructure segment, with focus on creating integrated vertical solutions with other segments being complementary in terms of customer fertilization and relationships. However, as the market has evolved, this concept has stopped being appropriate, as the industrial logic broke down and problems within the individual horizontals started to appear.

Within the IT landscape, Digital and TF are positioned on completely different layers: Digital on the advanced application management and SW development layer, while TF on the basic layer (with the data layer in between). This translates into different environment, as regards 1) workforce (maintenance vs development), 2) tasks (recurrent vs project-oriented), 3) performance (low-margin vs high-margin), 4) volume (higher vs lower), 5) length (longer-term vs shorter-term), etc. Therefore, to maximise the potential of each business, our plan is to align our management of it with its specific needs – for this purpose, we aim operate TC and Digital separately, giving them the ground to excel (while encouraging cooperation and synergies extraction where beneficial).

Nevertheless, there are certain overarching strategic principles which we view as fundamental for successful management of all Atos segments. We set out those principles, as well as our detailed strategic views for the Group, in Appendix 1 to this Final Offer. They include namely:

- We will aim to expand Atos' portfolio offering and strengthen its capabilities in the high-growth segments of public cloud, cybersecurity, big data, and AI, as we view technical excellence and pioneering approach to service provision as the key value drivers and differentiators in the IT industry
 - We plan to invest in hiring high quality professionals and provision of leading-edge training to all employees, to continuously refocus on new technologies and trends (incl. AI).
 - We aim to reduce subcontracting and insource these lacking skills and capacities, to build stronger relationships with Atos' customers (also with a view to preserve IP) and provide integrated solution to them and to improve profitability at the same time.
 - We plan to invest in R&D, as technical expertise and up-to-date solutions will define Atos' position and goodwill in the market.
 - On top of the organic growth opportunities described above, we will be open to strategic acquisitions (incl. buyouts of clients' infrastructure) to inorganically boost our efforts, in situations which will create meaningful synergies and be financially prudent.
- Besides onboarding new clients, we will put significant focus on fertilization of all the existing customer relationships. Our goal is to increase the scope of business with Atos' clients and become their go-to provider of IT services.
- We plan to strengthen the go-to-market strategy and unlock value in Atos' market-leading delivery capabilities. For the past several years, Atos' has significantly trailed all its major competitors in terms of book-to-bill for no reasons connected to delivery. We plan to significantly improve and enhance the sales processes (something we view as a relative 'quick-win'), which will result in acceleration of new business awards.

- Leveraging our wide-spreading operational restructuring expertise, we will focus on streamlining the operations, increasing automation, and getting to industry-leading profit margins:
 - Focus on new contracts underwriting, to minimise occurrence of red contracts.
 - Focus on efficient pre-sales processes: effort allocated based on contracts value and win probability.
 - Optimal workforce composition (offshoring, nearshoring, junior vs senior mix, etc.).
 - Active non-utilisation and stranded costs management.
- Focus on long-term and sustainable business growth and customer satisfaction will underlie all business decisions, whether on key strategic directions or on day-to-day problems.
- We will encourage customer-centric and lean operational structure, where agile decision making will enable to provide optimal client solutions in the minimum amount of time.

TC Industrial Strategy

Regarding the TF part, comprising of the Infrastructure, Digital Workplace, Professional Services, and Business Process Outsourcing parts, our strategy will be based on the following key principles:

- Provision of data management solutions on an European „appellation d’origine“ basis.
- We aim to attract market players from other industries, which utilize data management as a mere supporting function, through substituting capital expenditures with operating expenditures, including by provision of data centers as a service.
- Differentiation from hyperscalers who offer plain vanilla infrastructure and platforms by also providing consulting services, and cooperation with them in creating hybrid solutions according to the clients’ needs (incl. sovereign and hybrid cloud, with integrated security solutions)
- Provision of effective decarbonization solutions (with which EPEI, through other groups of companies controlled by Mr Daniel Křetínský, notably the strong energy segment, has extensive experience and strong potential for synergies).
- Expert access to the energy markets not only to optimize the costs of energy supply, but also to gather market intelligence and skills necessary to develop tailor-made solutions for clients.
- Aim to be a leader in leveraging AI for both service offerings and for cost efficiencies throughout Atos’ operations.
- Focus on delivery quality and customer satisfaction.

Digital Industrial Strategy

While historically, verticalization was the key trend (linked with outsourcing from in-house solutions), currently the market is moving towards digital pure players, as 1) the infrastructure layer, disturbed by hyperscalers, has been evolving into complex hybrid solutions, emancipating from other IT landscape layers; and 2) evolution of new generations of digital applications and approaches require specialization (due to complexity and new patterns applied), accelerated by the Gen AI revolution.

Of all the Atos businesses, Digital has been by far the most affected from the rise of Gen-AI, in particular in its SW development leg. The SW development market (incl. Syntel) is rapidly losing the need for junior developers and wide engineering teams, as Gen-AI substitutes them for a fraction of the cost, while requiring a different set of capabilities. Hence, digital players are about to face the need of widescale HR reductions (to reduce the underutilised developers), investment in automation and AI capabilities, and workforce training.

The Digital business of Atos now needs to react fast enough to the trend and is thus facing significant investment. On that basis, we see as a strategy forward either 1) teaming up with some leader already engaged in utilization of this new approach; or 2) in implementation of a profound transition.

Further, we view the need for investment into training within the SaaS segment of Digital, as the key business driver is the ability to be in line with product evolution, strengthening the case for industrial partnership and synergies materialization.

As the Digital business faces the restructuring investment need similar to what TC had to undergo in reaction to hyperscaler disruption, we believe a thorough strategic review is imperative.

Appendix 3 – Objectives with respect to management and future governance

Strategic Vision



Attestor

May 31, 2024

Confidential



Our Strategic Assessment

	Tech Foundations	Digital
Positioning	<ul style="list-style-type: none"><input type="checkbox"/> Basic infra layer / data	<ul style="list-style-type: none"><input type="checkbox"/> Advanced application management and software development
Market challenges	<ul style="list-style-type: none"><input type="checkbox"/> Declining core infra market<input type="checkbox"/> Talent war and salary inflation<input type="checkbox"/> Hyperscalers disruption	<ul style="list-style-type: none"><input type="checkbox"/> Most affected by use of Gen AI (in software development in particular)<input type="checkbox"/> Talent war and salary inflation<input type="checkbox"/> Ongoing shift towards pure digital players
Structural challenges	<ul style="list-style-type: none"><input type="checkbox"/> Difficulties closing large deals, sales engine<input type="checkbox"/> Contracting discipline, unprofitable legacy contracts<input type="checkbox"/> Fragmented portfolio<input type="checkbox"/> Delay in development of new offering	<ul style="list-style-type: none"><input type="checkbox"/> High delivery costs<input type="checkbox"/> Lack of integration of acquisitions, fragmented value proposition<input type="checkbox"/> Positioning on less attractive segments

Atos Current Situation

Atos has historically developed around key IT infrastructure, creating integrated vertical solutions. However, as the market evolved, this concept has stopped being appropriate, as the industrial logic breaks down and problems within individual horizontals appear. Each business segment faces key differences across their respective environments

	Tech Foundations	Digital
Workforce	<input type="checkbox"/> Maintenance workforce	<input type="checkbox"/> Development workforce
Key Tasks	<input type="checkbox"/> Recurrent by nature	<input type="checkbox"/> Project-based by nature
Performance	<input type="checkbox"/> Low margin	<input type="checkbox"/> High margin
Volume	<input type="checkbox"/> High volume	<input type="checkbox"/> Low Volume
Length	<input type="checkbox"/> Longer-term	<input type="checkbox"/> Shorter-term

To maximise each segments potential, the Consortium plans to align management with each segment's specific needs, operating the businesses separately and enabling them to excel, while encouraging cooperation and synergies extraction.

Our Vision for Atos

Building on Existing Strengths to Reposition Atos as the European Industry Leader in Data Management Solutions, Digital and Cloud Application Operations, and Cybersecurity Services

No. 1 European Platform

- Data management solutions on a European “*appellation d’origine*” basis
- Objective of creating the number one European platform in Generative AI with the infrastructure backbone for both training and inference in line with the EU AI Act
 - Opensource platform and environment for application developers
 - Highest standards of cyber protection in the industry

Focus on Critical Infrastructure

- Providing managed infrastructure incl. sovereign and hybrid cloud, application operations, and security services
- Digitalization of customers’ main functions and operations with a particular focus on cloud migration of mission critical applications
- Enhancing Managed Detection and Response (MDR) capabilities thanks to Gen AI on top of the traditional Security Operation Centre (SOC) solutions – consolidation as number 1 player in the world in Cybersecurity services

Decarbonization

- Providing effective decarbonization solutions (with which EPEI, through other groups of companies controlled by Mr Daniel Křetínský, notably in the energy segment, has extensive experience and strong potential for cooperation)
- Providing an expert access to the energy market not only to optimize the costs of energy supply, but also to gather market intelligence and skills necessary to develop tailor-made solutions for clients

Our Vision for Atos (Cont.)

Building on Existing Strengths to Reposition Atos as the European Industry Leader in Data Management Solutions, Digital and Cloud Application Operations, and Cybersecurity Services

Key Levers

- Attracting market players from other industries, which utilize data management as a mere supporting function, through substituting capital expenditures with operating expenditures, including by provision of data centres as a service
- Differentiation from hyperscalers which offer plain vanilla infrastructure through also providing consultation services & cooperation with hyperscalers in creating hybrid solutions
- Support containerization of applications into the cloud - public and hybrid - as well as (re)development, maintenance and management of the customers' application landscape once onto the cloud ecosystem
- Acceleration of the key digital platforms with priority
- Leveraging on multi-decade experience in SAP environment, on the unique SAP relationship and on the 7000 Atos SAP engineers to build the number 1 European SAP S4 / Hana centre of excellence
- Optimization and leveraging of the existing digital workplace services
- Leveraging AI for both service offerings and for cost efficiencies
- Focus on quality of delivery and customer satisfaction

Our Vision for Atos (Cont.)

The Digital business faces the restructuring investment need similar to what TFCo had to undergo in reaction to hyperscaler disruption, we believe a thorough strategic review is imperative for the following reasons:

Key Levers (Cont.)

- ❑ Ongoing shift towards pure digital players, driven by:
 - The evolution of complex hybrid solutions within the infrastructure layer, caused by disruption from hyperscalers
 - The need for specialization in order to manage the complexity and emerging trends linked to the evolution of new generations of digital applications and approaches (accelerated by the advent of Gen AI)
- ❑ Of all the Atos businesses, Digital has been by far the most affected from the rise of Gen AI, in particular in its SW development leg
 - The SW development market (incl. Syntel) is rapidly losing the need for junior developers and wide engineering teams, as Gen AI substitutes them for a fraction of the cost, while requiring a different set of capabilities
- ❑ Digital players are about to face the need of widescale HR reductions (to reduce the underutilised developers), investment in automation and AI capabilities, and workforce training
- ❑ The Digital business of Atos now needs to react fast enough to the trend and is thus facing significant investment
- ❑ On that basis, we see a strategy forward either (i) either by teaming up with some leader already engaged in utilization of this new approach, or (ii) in implementation of a profound transition
- ❑ Further, we view the need for investment into training within the SaaS segment of Digital, as the key business driver is the ability to be in line with product evolution, strengthening the case for industrial partnership and synergies materialization

Key Overarching Principles

There are certain overarching strategic principles that the Consortium view as fundamental for successful management of all Atos segments

Expansion / Strengthening of Portfolio

- Invest in hiring high quality professionals and provision of leading-edge training to all employees, to continuously refocus on new technologies and trends (Gen AI and hyperscalers)
- Reduce subcontracting and insource related skills and capacities, to build stronger relationships with customers, provide integrated solutions and improve profitability at the same time
- Invest in R&D; technical expertise and up-to-date solutions will define Atos in the market
- Remain open to strategic acquisitions (incl. buyouts of client infrastructure) to bolster organic growth opportunities

Client Focus

- Dedicate resources to onboarding of new clients
- Emphasis on fertilization of existing customer relationships / increase scope of business
- Goal is to increase the scope of business with Atos' clients and become their go-to provider of IT services

Go-to Market Strategy

- Strengthen the go-to-market strategy and unlock value in Atos' market-leading delivery capabilities
- Significantly improve and enhance sales processes and rectify book-to-bill lag compared to competitors, accelerating the award of new business

Key Overarching Principles (Cont.)

There are certain overarching strategic principles that the Consortium view as fundamental for successful management of all Atos segments

Operational Restructuring Expertise

- Focus on new contracts underwriting, to minimise occurrence of red contracts
- Focus on efficient pre-sales processes: effort allocated based on contracts value and win probability
- Optimal workforce composition (offshoring, nearshoring, junior vs senior mix, etc.)
- Active non-utilisation and stranded costs management

Growth Orientation

- Focus on long-term and sustainable business growth and customer satisfaction will underpin all business decisions, whether on key strategic directions or on day-to-day problems

Customer Centric Operations

- Encouragement of customer-centric and lean operational structure, where agile decision making will enable Atos to provide optimal client solutions in the minimum amount of time

3-Month Action Plan

Within the first 3-months, our consortium would look to implement the following measures:

Day 1 Action

Immediate Follow-up Actions

Internal Review & Reorganisation

Management Processes

Brand Assessment

Employee Engagement

- Announcement of the **management team** (CEO and Executive Committee members), introduction to employees and discussion to explain strategy
- Roadshow of new management to (i) customers, (ii) technology partners & suppliers and (iii) public bodies** (in particular those in counterparty positions):
 - Focus on top 100 customers at CEO, CIO or CTO level to reassure on the stabilization of group scope, shareholding and management - if possible, without waiting for the effective date of the transaction(s), but already right after the announcement (special attention to Olympics and UEFA events)
 - Actions at operational level: management meetings to **stop BCP and reversals** where relevant, or otherwise co-build with client a development plan of the account for the next 12 months
 - **Immediate CEO to CEO meetings with large partners** – – to reassure on the Group's prospects and to lay the ground to a renewed joint go-to-market plan towards a predefined list of customers (special attention to partners & suppliers with payments in arrears)
- People **review down to N-3** (N being CEO) by internal HR teams to target **announcement of middle management (confirmed and new) by D+45**
- Re-engagement with employees' representatives and unions
- Re-engagement with former employees, especially those, representing a risk of poaching of clients and/or employees
- Dedicated task force focused on anchor contracts at risk (both revenue and margin, as well as headline / French) and/or subject to roll-over within a year timeframe ; avoidance of further revenue and margin leakage to be put at the centre of focus
- Reorganisation of BUs on Day 1 so that granularity at central level is around 10 BUs, in order to have **a strong grip and control on the businesses** in this phase (this does not necessary mean to remove RBU / regional level)
- Review of all contracts in loss or in deviation vs IBC (Initial Business Case) by more than 2pp of Project Margin
- Design, enhance and **strongly affirm the supremacy of management processes** above all other considerations:
 - Rainbow process (pre-sales process securing delivery and no loss contracts)
 - Risk management process (securing super tight handling of contracts in deviation vs initial business case)
 - Business review process every month (P&L and cash by BU)
 - Review of Service Level Agreements - SLA on large contracts every week, etc.
- Launch a **brand assessment** to determine whether or not to keep the brands or the brands' signatures
- Weekly **all management calls** combined with **monthly all hands calls with employees** to update them on decisions and progresses

Governance

The root cause of Atos' problems is not a lack of talent, but rather strategic missteps. Our aim is not to cause a widespread revolution, but rather focus on talent retention and motivation with the support of new board members and top management

Relevant Appointments

- Appointment of a particularly well-respected French BoD chairman, well regarded by public authorities in France but also throughout Europe
- Appointment of a CEO with a detailed knowledge of the industry, including Atos acquaintance, well regarded by clients as well as technology partners and suppliers
- Appointment of key segments (TFCo & Digital) management in alignment with BoD Chairman and CEO

HR Focus

- Attempt to reverse HR losses of long-term employees with exceptional track-record (Nouridine Bihmane, Michael Kollar, Valérie Cornen, Jose Manuel Diego Sainz to name a few specifically)

Widespread Assessment

- Declaration of support to those management members and employees with a good delivery track-record
- Establishing a retention and motivation scheme

Commercial, Financial, and Operational Pillars

- Strengthening of commercial activities teams to prevent further revenue and margin leakage as well as bolstering fertilization of running contracts
- Firm grip over financial affairs to improve perception among technology partners and suppliers (affected by Atos' payment insecurity)
- Appointment of a restructuring officer responsible for efficient and rapid implementation of the restructuring plan
- Establishment of a task-force team focused on Red contracts

Management Model

A clear and structured approach to management is critical to stabilize operations and prioritize growth:

Key Steps to Success

- In the short term, the Company needs a centralized management model to implement swiftly the vision of the Consortium and to gain a **strong control and grip on the operations and the cash**
- As a consequence, the Company's P&L will be broken down in **c.10 Business Units** to be reviewed tightly at central level (does not necessarily mean RBU / regional level will be removed)
- The above centralization will be very progressively softened, and **delegation and empowerment management will be implemented only once the Company has returned to satisfactory performance and customer satisfaction**
- The **current matrix will be confirmed** to avoid unnecessary turmoil in the short term
- Account executives will be regrouped and animated in a single community** to enhance sales culture and solution synergies across accounts
- Delivery of TFCo will report under a single strong head** to optimize resources across the board. They will have a veto right on accounts to avoid mis-costing of solutions, overruns and loss-making contracts. A similar approach will be applied to delivery of Digital and Cyberservices
- Incentive systems will reward **equally organic growth and profitability** (actual cash margin)
- Company culture will be centered on **customer satisfaction through quality of innovation and delivery**

Appendix

Focusing on Operating Discipline to Implement Best Practices

Select Best Practices

- Proposed turnaround plan aimed at achieving profitability and attaining excellence in IT services
- Focus on enhancing profitability and generating cash flow, with a strong emphasis on contract evaluation, cost discipline and efficient decision-making processes
- Changing the revenue-centric management style to value-driven
- Bringing at the centre of the company the pre-sales process ensuring: (a) relevance of customer value proposition, (b) right costing of solutions proposed to customers and (c) limitation of risk of delivery, overruns, and contract losses
- Focusing primarily on execution and quality of delivery (weekly reporting and follow up of Service Level Agreements (SLA), tight monthly P&L and cash review at a granular model)
- Breakdown of countries / divisions into a circa 10 entities to be followed directly at Group level to ensure strong grip and control from central management on operations
- Leaner structure, streamlining, empowerment with responsibility
- Leveraging inhouse expertise and experience, reduction of outsourcing and subcontracting
 - Target: subcontractor cost < 10% of the sales
- Greater utilization of existing resources
 - Targets: DC utilization > 80%; Billable resource utilization in high-cost countries > 90%
- Insisting on a cost-efficient delivery – right mix of near-shoring & off-shoring (closing the gap to competitors), as well as right junior /senior staff proportion
 - Targets: junior staff > 60%

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Focusing on Operating Discipline to Implement Best Practices (Cont.)

Select Best Practices (Cont.)

- Ensuring wage inflation is totally offset by pyramid management and offshore / nearshore increase
- Development of new capabilities and adjusting business model to meet evolving market demand
- Weekly reporting and follow up of main platforms individual certifications at Group level
- Targeting the underperforming contracts
- Revitalization of underperforming regions
- The key success factor for the future profitability restoration is the ongoing focus on the efficient cost structure & discipline, while maintaining satisfactory delivery performance